

# Board of Directors Meeting Agenda

Date: October 17, 2024

Time: 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium  
6201 S Street, Sacramento, California

Powering forward. Together.





# AGENDA

## SACRAMENTO MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS MEETING SMUD HEADQUARTERS BUILDING AUDITORIUM – 6201 S STREET SACRAMENTO, CALIFORNIA

***October 17, 2024 – 6:00 p.m.***

### Virtual Viewing or Attendance:

Live video streams (view-only) and indexed archives of meetings are available at:  
[http://smud.granicus.com/ViewPublisher.php?view\\_id=16](http://smud.granicus.com/ViewPublisher.php?view_id=16)

**Zoom Webinar Link:** [Join SMUD Board of Directors Meeting Here](#)

**Webinar/Meeting ID:** 161 623 1182

**Passcode:** 338092

**Phone Dial-in Number:** 1-669-254-5252 or 1-833-568-8864 (Toll Free)

### Verbal Public Comment:

Members of the public may provide verbal public comment by:

- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the “Raise Hand” feature in Zoom (or pressing \*9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter’s name is announced.

### Written Public Comment:

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to [PublicComment@smud.org](mailto:PublicComment@smud.org) or by mailing or bringing physical copies to the meeting. Email is not monitored during the meeting. Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

Call to Order.

a. Roll Call.

1. Approval of the Agenda.

2. Committee Chair Reports.

- a. Committee Chair report of October 8, 2024, Strategic Development Committee
- b. Committee Chair report of October 9, 2024, Policy Committee
- c. Committee Chair report of October 15, 2024, Finance & Audit Committee
- d. Committee Chair report of October 15, 2024, Energy Resources & Customer Services Committee

Item 5 was reviewed by the September 11, 2024, Policy Committee. Items 6 through 9 were reviewed by the October 9, 2024, Policy Committee. Items 10 through 12 were reviewed by the October 15, 2024, Finance and Audit Committee. Items 13 through 15 were reviewed by the October 15, 2024, Energy Resources & Customer Services Committee.

*Comments from the public are welcome when these agenda items are called.*

**Consent Calendar:**

3. Approve Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of September 16, 2024, through October 15, 2024.
4. Approval of the minutes of the meeting of September 19, 2024.
5. Approve proposed revisions to **Strategic Direction SD-7, Environmental Leadership. Policy Committee 9/11. (Frankie McDermott)**
6. Accept the monitoring report for **Strategic Direction SD-6, Safety Leadership. Policy Committee 10/9. (Frankie McDermott)**
7. Accept the monitoring report for **Strategic Direction SD-10, Innovation. Policy Committee 10/9. (Lora Anguay)**
8. Accept the monitoring report for **Strategic Direction SD-19, Diversified Business. Policy Committee 10/9. (Lora Anguay)**
9. Approve proposed revisions to **Governance Process GP-15, Board Travel and Training Reimbursement. Policy Committee 10/9. (Scott Martin)**
10. Authorize the Chief Executive Officer and General Manager to negotiate and award contracts to **Hot Line Construction, Inc.** and **Mountain G Enterprises Inc.** for General Line Construction and Pole Replacement Services for a period of three years from November 1, 2024, to November 1, 2027, with two optional one-year extensions, for a total not-to-exceed aggregate amount of \$250 million. **Finance and Audit Committee 10/15. (Frankie McDermott)**
11. Authorize the Chief Executive Officer and General Manager to negotiate and award contracts to **Lund Construction Co.** and **Hylan West, Inc.** for Cable Replacement Construction Services for a period of three years from November 1, 2024, to November 1, 2027, with two optional one-year extensions, for a total not-to-exceed aggregate amount of \$75 million. **Finance and Audit Committee 10/15. (Frankie McDermott)**
12. Approve Contract Change No. 7 to Contract No. 4500057661 with **Leading Resources, Inc.** to extend the contract expiration date from December 31, 2024, to December 31, 2027, to allow for continuity of consulting support for the SMUD Board of Directors. **Finance and Audit Committee 10/15. (President Herber)**

13. Authorize the Chief Executive Officer and General Manager to enter into (1) a contract with **Sonoma Clean Power (SCP)** to provide **Community Choice Aggregation (CCA)** data management and related services and (2) vendor contracts (except technology platform subscription service contracts which are addressed through the annual budget process) to facilitate the ongoing operations of **SCP** provided that no individual contract shall exceed \$1 million. **Energy Resources & Customer Services Committee 10/15.**  
**(Brandy Bolden)**
  
14. Authorize the Chief Executive Officer and General Manager to negotiate and execute the **Transaction Confirmation** agreement with **Sanborn 2 PV I, LLC** for an 8-year term for 46 MW of renewable solar photovoltaic power from the **Sanborn 2 PV I, LLC project (S2PVI Project)** at an annual approximate cost of \$4.4 million, substantially in the form attached, and all other agreements necessary to facilitate the **S2PVI Project.** **Energy Resources & Customer Services Committee 10/15.** **(Laura Lewis)**

\* \* \* \* \*

**Discussion Calendar:**

15. Adopt the **California Environmental Quality Act (CEQA) Initial Study and Mitigated Negative Declaration (IS/MND)** for the **Folsom Administrative Operations Building Project (Project)**; adopt the **Mitigation Monitoring and Reporting Program**; and approve the **Project.** **Energy Resources & Customer Services Committee 10/15.**  
**(Frankie McDermott)**

*Presenter: Ellias van Ekelburg*

\* \* \* \* \*

**Informational Item:**

16. Internal Audit Services Report: Quarterly Report on the Status of Recommendations as of September 30, 2024.

*Presenter: Claire Rogers*

\* \* \* \* \*

**Public Comment:**

17. Items not on the agenda.

**Board and CEO Reports:**

18. Directors' Reports.
19. President's Report.
20. CEO's Report.
  - a. Board Video

**Summary of Board Direction**

\* \* \* \* \*

**Board Committee Meetings and Special Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento**

October 15, 2024	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Auditorium*	6:00 p.m.
October 15, 2024	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Auditorium	Immediately following the Finance and Audit Committee and Special SMUD Board of Directors Meeting scheduled to begin at 6:00 p.m.
November 6, 2024	2025 Budget Review Finance and Audit Committee and Special SMUD Board of Directors Meeting (detail on next page)	Auditorium	6:00 p.m.
November 7, 2024	2025 Budget Review Finance and Audit Committee and Special SMUD Board of Directors Meeting (detail on next page)	Auditorium	6:00 p.m.
November 12, 2024	Strategic Development Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
November 13, 2024	Policy Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
November 19, 2024	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
November 20, 2024	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.

\* \* \* \* \*

*\*The Auditorium is located in the lobby of the SMUD Headquarters Building, 6201 S Street, Sacramento, California.*

**2025 Budget Review held at the SMUD Headquarters Building, 6201 S Street, Sacramento**

- November 6, 2024    2025 Proposed SMUD Budget.    Auditorium\*    6:00 p.m.
- a. 2025 Proposed SMUD Budget Overview, including Debt Service, Pay Schedule and Special Compensation, Corporate Services, Communications, Marketing & Community Relations.
- 2025 Proposed Joint Power Authority Budgets.
- a. 2025 Proposed Northern California Energy Authority (NCEA) Budget.
  - b. 2025 Proposed Northern California Gas Authority Number 1 (NCGA1) Budget.
  - c. 2025 Proposed Sacramento Municipal Utility District Financing Authority (SFA) Budget.
- 2025 Proposed SMUD Budget (cont).
- b. 2025 Proposed Zero Carbon Energy Solutions Budget.
  - c. 2025 Proposed Legal, Government Affairs & Contracts Budget.
  - d. 2025 Proposed Customer & Community Services Budget.

- November 7, 2024    2025 Proposed SMUD Budget.    Auditorium    6:00 p.m.
- a. 2025 Proposed Energy Delivery & Operations Budget.
  - b. 2025 Proposed Information Technology Budget.
  - c. 2025 Proposed Workforce, Diversity & Enterprise Partnerships Budget.

\* \* \* \* \*

**Regular Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento**

November 21, 2024    Auditorium\*    6:00 p.m.

*\*The Auditorium is located in the lobby of the SMUD Headquarters Building, 6201 S Street, Sacramento, California.*

*Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.*

*Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the [smud.org](http://smud.org) website or may call 1-916-732-7143 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.*

*ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email [Toni.Stelling@smud.org](mailto:Toni.Stelling@smud.org), or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.*







RESOLUTION NO. \_\_\_\_\_

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of September 16, 2024, through October 15, 2024.



Sacramento, California

September 19, 2024

The Board of Directors of the Sacramento Municipal Utility District met in regular session simultaneously in the Auditorium of the SMUD Headquarters Building at 6201 S Street, Sacramento, and via virtual meeting (online) at 6:00 p.m.

Roll Call:

Presiding: President Herber

Present: Directors Rose, Fishman, Kerth, Tamayo, and Sanborn

Absent: Director Bui-Thompson

Present also were Paul Lau, Chief Executive Officer and General Manager; Laura Lewis, Chief Legal & Government Affairs Officer and General Counsel and Secretary, other members of SMUD's executive management; and SMUD employees and visitors.

Director Sanborn shared the 2030 Climate Action Tip.

President Herber called for approval of the agenda. Vice President Fishman moved for approval of the agenda, Director Tamayo seconded, and the agenda was approved by a vote of 6-0, with Director Bui-Thompson absent.

Vice President Fishman, Vice Chair, presented the report on the Strategic Development Committee meeting held on September 10, 2024.

Director Tamayo, Chair, presented the report on the Policy Committee meeting held on September 11, 2024.

Director Kerth, Chair, presented the report for the Finance & Audit Committee meeting held on September 17, 2024.

Director Tamayo departed the meeting at 6:11 p.m.

Director Rose, Chair, presented the report for the Energy Resources & Customer Services Committee meeting held on September 18, 2024.

President Herber then called for public comment for items on the agenda, but none was forthcoming.

President Herber then addressed the consent calendar consisting of Items 3 through 12. Director Kerth moved for approval of the consent calendar, Director Sanborn seconded, and Resolution Nos. 24-09-01 through 24-09-08 were approved by a vote of 5-0, with Directors Bui-Thompson and Tamayo absent.

**RESOLUTION NO. 24-09-01**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of August 16, 2024, through September 15, 2024.

Approved: September 19, 2024

INTRODUCED: DIRECTOR KERTH				
SECONDED: DIRECTOR SANBORN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON				X
FISHMAN	X			
KERTH	X			
TAMAYO				X
SANBORN	X			

**RESOLUTION NO. 24-09-02**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-7, Environmental Leadership**, substantially in the form set forth in **Attachment A** hereto and made a part hereof.

Approved: September 19, 2024

INTRODUCED: DIRECTOR KERTH				
SECONDED: DIRECTOR SANBORN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON				X
FISHMAN	X			
KERTH	X			
TAMAYO				X
SANBORN	X			

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**

**OFFICE MEMORANDUM**

**TO:** Board of Directors

**DATE:** August 28, 2024

**FROM:** Claire Rogers *CR 8/28/24*

**SUBJECT: Audit Report No. 28007750  
Board Monitoring Report; SD-7: Environmental Leadership**

Internal Audit Services (IAS) received the *SD-7 Environmental Leadership 2023 Annual Board Monitoring Report* and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

**CC:**

Paul Lau



# Board Monitoring Report 2023

## SD-7 Environmental Leadership



### 1. Background

Environmental leadership is a core value of SMUD. In achieving this directive, SMUD will:

- a. Conduct its business affairs and operations in a sustainable manner by continuously improving pollution prevention, minimizing environmental impacts, including Tribal and other cultural impacts, conserving resources, and promoting equity within SMUD's diverse communities.
- b. Provide leadership and innovation to improve air quality and reduce greenhouse gas emissions.
- c. Promote the efficient use of energy by our customers.
- d. Advance the electrification of vehicles, buildings, and equipment.
- e. Attract and build partnerships with customers, communities, policy makers, the private sector, and other stakeholders.

### 2. Executive Summary

SMUD's focus on environmental leadership is evident in our Enterprise Strategy Pillar II, 2030 Clean Energy Vision and Zero Carbon Plan. It includes transparent reporting of greenhouse gas (GHG) emissions, natural resource stewardship and our concerted efforts to make all of our communities more sustainable. This report highlights some of the accomplishments SMUD achieved in 2023 to showcase our commitment to environmental leadership.

**SMUD is compliance with the five tenets of SD-7** and successes include making CDP's (formerly known as the Carbon Disclosure Project) "A- List" for tackling climate change. Our efforts are highlighted in the following Appendices: Appendix A (2015-2023 SMUD GHG Emissions Trends), Appendix B (Sustainable Communities Deliverables and Accomplishments To-Date), and Appendix C (List of Acronyms).

### 3. Additional Supporting Information

#### CDP 2030 Clean Energy Vision and Zero Carbon Plan

For decades, SMUD has been a leader in clean energy and carbon reduction. SMUD's goal to eliminate carbon emissions from our power supply is more ambitious than the already aggressive state mandates and is ahead of virtually all other utilities in the United States. Our 2030 Zero Carbon Plan is a flexible road map to achieve our zero carbon goal while ensuring all customers and communities we serve reap the benefits of decarbonization. Zero carbon emissions bring benefits not only globally, but also locally with reduced GHG emissions, improved local air quality, job creation opportunities, and leadership as we move away from the use of fossil fuels.

#### Greenhouse Gas (GHG) Emissions

SMUD is a leader in addressing global climate change and is an active member of The Climate Registry (TCR). SMUD reports its third-party verified GHG emissions to the California Air Resources Board (CARB), TCR and CDP. We also report sulfur hexafluoride (SF6) emissions and GHG emissions from thermal power plants to the US Environmental Protection Agency (EPA).

For 2023, GHG emissions were approximately 1.58 million metric tons carbon dioxide equivalent

(CO<sub>2</sub>e)<sup>1</sup>. This is a decrease of 503 thousand metric tons from 2022 emissions; a trend going back to 2015 (which was an especially severe drought year) can be found in Appendix A. Fluctuations in total emissions year-to-year are primarily attributable to hydroelectricity production, availability of ACS (Asset Controlling Supplier) low-carbon power and natural gas contract rates. In 2023, we were able to rely on electricity generation from Rancho Seco Solar II and the Geysers geothermal facility which reduced emissions by 400 thousand metric tons. As we bring on new zero-carbon generation projects and continue to purchase greater quantities of zero and lower emissions-intensity power, we expect emissions to decrease. A breakdown of emissions by thermal power plant, and power purchases, with comparisons between 2022 and 2023 can be found in Appendix A.

In 2023, we started sharing our quarterly generation and estimated GHG emissions from the gas plants we own, and the power purchased for the Calpine Sutter gas plant, at smud.org. The planned and actual GHG emissions from our fossil fuel generation reflect total emissions to serve SMUD customer energy needs and market sales to support California and other neighboring states. GHG emissions are estimated using 2022 emissions factors, which is the most recent year that the California Air Resources Board (CARB) verified data is available for.

### **TCR Climate Registered™ Platinum Status**

For the fifth year in a row, SMUD was awarded Climate Registered™ Platinum status by TCR, a non-profit organization which designs and operates voluntary and compliance GHG reporting programs. To date, SMUD has submitted over 13 years of verified inventories to TCR. Climate Registered™ Platinum level recognition is the second highest tier that can be achieved which SMUD earned by publicly reporting its third-party verified GHG emissions inventory for its operations in 2022, and by setting and disclosing its ambitious GHG reduction goals. GHG inventory data enables us to track the effectiveness of our climate initiatives and GHG reductions over time.

### **CDP**

SMUD was recognized for our leadership in corporate sustainability by global environmental non-profit CDP (formerly Carbon Disclosure Project), attaining leadership level for 4 straight years and securing an A- on our 2023 disclosure. In our 6th year of disclosing with CDP our score is higher than both the North American regional average of C and the thermal power generation sector average of B. Within our sector (thermal power generation), we're among the 36% of companies that reached the leadership level (A or A-). SMUD was recognized for our work related to climate impacts, risks and opportunities, and actions to cut carbon emissions, mitigate risks and develop a low-carbon economy. CDP's annual environmental disclosure and scoring process is widely recognized as the gold standard of corporate environmental transparency.

### **Fleet Emissions Reduction and Equipment Electrification**

Internally, SMUD has been replacing gas/diesel-powered equipment with equivalent electric/battery powered tools where they are available from the market, such as chain saws, trimmers, blowers, and generators. As of 2023, 53% of the equipment is now battery powered. Our goal is to convert 100% of the equipment to battery powered by the end of 2024.

Similarly to tools, SMUD is also focused on reducing emissions generated by our fleet. This is being accomplished through alternative fuel usage, idle reduction and vehicle electrification where the technology is available. Since 2016, SMUD has measured:

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<sup>1</sup> The 2023 GHG emissions value represents emissions associated with delivering power to SMUD customers and does not include emissions associated with the net wholesales into the market. The 2023 emissions from wholesale power are approximately 0.7932 million metric tons of CO<sub>2</sub>.

- GHG Emissions Reduction through Vehicle Electrification, increasing from 1.0 MTCO<sub>2</sub>e in 2016 to a reduction of 37.5 MTCO<sub>2</sub>e in 2023.
- Electric vehicle miles driven have increased from 2,462 on 2016 to 135,551 in 2023
- Total emissions generated from combustion of fossil fuels by the Fleet have also been reduced from 5,553 MTCO<sub>2</sub>e in 2016 to 4,803 MTCO<sub>2</sub>e in 2023. Fuel Economy has increased from 7.48MPG in 2016 to 8.82MPG in 2023.

### **Sustainable Communities**

SMUD's Sustainable Communities program focuses on healthy neighborhood environments, improving education, creating jobs, improving access to transportation and more. We're committed to improving environmental equity and economic vitality in every community we serve. Special attention is being given to historically under-resourced neighborhoods. Since 2018, SMUD has invested more than \$35 million in our Sustainable Communities community-based partnerships and programs, supporting an inclusive and equitable clean energy future. In 2023, Sustainable Communities invested more than \$4.4 million into clean energy solutions supporting our customers and communities.

By aligning our Sustainable Communities efforts with the 2030 Zero Carbon Plan, we're ensuring that all communities in Sacramento share in the benefits of the clean energy transition, including health benefits from improved air quality, new jobs, and resilience to climate change.

In 2019, we created the Sustainable Communities Resource Priorities Map, which analyzes current data to identify the local areas most likely to be under-resourced or in distress due to lack of community development, income, housing, employment opportunities, transportation, medical treatment, nutrition, education and clean environment. This map allows SMUD to analyze how various energy programs and projects can be enhanced or expanded to improve equity, incorporating what community members themselves feel is needed to achieve a more equitable energy future. In 2023, the map was updated with new real-time data and metrics to identify neighborhood carbon emissions and tree canopy cover. This 3<sup>rd</sup> iteration of the map will help inform resource allocation, reduce growing economic disparity in Sacramento County and ensure the benefits of our 2030 Zero Carbon Plan are equitably shared among all communities.

To answer the call for a just and equitable clean energy transition, we developed our Community Impact Plan (CIP) in 2022, magnifying the commitment to make meaningful investments in under-resourced communities to ensure their participation in a clean energy future. Since the launch of our Community Impact Plan, we've diversified clean energy programs to make them accessible to more residential customers, created equitable pathways to living wage zero carbon jobs through regional workforce outreach, education and training and focused on investing in the small business community through meaningful and impactful partnerships.

One example partnership is with Soil Born Farms. It is a non-profit farm and education center which empowers youth and adults to participate and promote urban agriculture, sustainable food systems and healthy food education. Through our Shine Awards program, SMUD funded the purchase of an electric tractor which is used to harvest lettuce to feed our region's children, thanks to the Farm's partnership with Sacramento City Unified School District Central Kitchen.

### **Sacramento Tree Foundation (STF) Sacramento Shade Program**

In 2023, the STF distributed 11,937 trees as part of its Sacramento Shade program, an increase of 25%. A total of 3,872 trees were planted in Disadvantaged Communities (an 18% increase). The total carbon (stored in biomass and avoided) for these trees is estimated at 49,766.55 metric tons. To better understand issues related to tree planting and care, STF community liaisons actively engage residents to help resolve tree planting impediments.

## **Right-of-Way Stewardship Council**

The Right-of-Way Stewardship Council (ROWSC), an accreditation program that establishes standards for responsible environmentally sustainable right-of-way vegetation management, re-accredited SMUD with a “Right-of-Way Steward Award” for our sustainable Integrated Vegetation Management on our electric transmission right-of-way systems.

The ROWSC Accreditation program evaluates environmental stewardship standards of excellence for utility vegetation management along rights-of-way (ROW). The goal of the program is to promote and recognize vegetation management industry best practices that maintain and protect grid reliability, safety and provide ecological and natural resource, species and habitat benefits.

## **COP 28**

SMUD Board President Heidi Sanborn and Board Member Brandon Rose joined CEO & General Manager Paul Lau and Chief Legal Officer Laura Lewis in attending COP28 the United Nations Climate Change Conference. It’s the highest decision-making process on climate issues that convenes over 70,000 delegates, including heads of state and world leaders, to build consensus and facilitate progress on climate action among parties, delegates and thousands of non-governmental organizations, companies, youth groups and other stakeholders.

SMUD representatives coordinated with the Sacramento Air Quality Management District and the Climate Registry to attend COP28 as part of the Business Council for Sustainable Energy’s (BCSE) U.S. delegation alongside 35+ other US organizations. During COP28 SMUD joined the Utilities for Net Zero Alliance, which is a global alliance organized by the International Renewable Energy Agency.

## **2023 Green Bonds**

SMUD was recognized by the Climate Bonds Initiative as the first US Issuer of a Certified Bond under the Climate Bond Standard v4 in the Electrical Grids and Storage Sector. Having this designation allows us to target investors that place a premium on Green/Climate Certified bonds and may lower borrowing costs by increasing demand in the marketing of the bonds. Thanks to the work of the Treasury team, we had a very successful offering of our first-ever Climate Certified Green Bonds. In fact, investor demand for our bonds was so strong, it resulted in orders for 4x the amount of bonds we had to sell.

## **Power-in-Pollinators Initiative / Biodiversity & Habitat Working Group**

SMUD is an active member of and co-chaired the Electric Power Research Institute’s (EPRI) Power-in-Pollinators initiative, which exists to promote and expand pollinator conservation among energy utilities. The partnership shares the latest scientific findings, case studies and tools to assist with the integration of pollinator-friendly practices into utility vegetation, facilities, and land management. SMUD’s efforts to support pollinator habitat span multiple departments including Environmental Services, Power Generation, Vegetation Management, Facilities, Real Estate, Customer & Grid Strategy, Marketing & Communications, Legal, Sustainable Communities and Advanced Energy Solutions which collaborate on both research and operational practices. Past or ongoing projects include Sacramento Shade which offers free flowering trees to customers, native plant giveaways at community events, a multi-year ecosystem research project at our Rancho Seco Solar facility, a collaborative transmission right-of-way research project and a Monarch Habitat Assessment for our service territory. Projects undertaken in 2023 include:

- Completed Phase 1 installation of a native plant pollinator garden at SMUD’s Orangevale substation, in coordination with the Cripple Creek trail project;

- Supported installation of SolaBee hives at 4 SMUD locations. The Biodiversity & Habitat Conservation Working Group toured and learned about Sacramento State’s hive operations.
- Created a “Meet the Beekeepers” profile of SMUD employees and one Director which was shared internally and posted publicly at [www.smud.org/pollinators](http://www.smud.org/pollinators)
- Collaborated with the CNPS Sacramento Chapter on 2023 Earth Day native plant giveaway and the use of donated plants at the Orangevale Substation pollinator garden.
- Collaborated with SMUD Tradeshow, Environmental Services and Sustainable Communities teams to purchase 10,000 Central Valley Native Seed packets to give away at SMUD’s 2024 events.
- Began a collaborative project with Eldorado Community Services District for a bike park and pollinator garden within our easement.

### **Resource Conservation**

Our Solano 4 Wind Project consisted of removing 23 old wind turbines from Solano 1 and constructing 19 brand-new, bigger, and more efficient turbines. In an effort to make a greener and cleaner planet, SMUD avoided using landfills for the old turbine blades and kept the metal towers out of scrap yards and waste areas by rehoming them. Most were re-installed at other sites, and some were used for spare parts to fix existing units. Now with new owners at various locations, the old turbines have continued their operational life and are back to providing carbon-free energy. This was a big win for SMUD, our environment, and our planet. All told, that’s more than 3.7 million pounds of material (from the 23 old turbines) that we were able to rehome and keep out of local landfills.

SMUD’s waste diversion rate was 38% in 2023, which is lower than our goal of 75%. However, our total waste amount generated in 2023 was 8,333 tons compared to 12,454 tons in 2022 and our 2023 amount included two new waste streams that had not previously been tracked - wood pole and wet spoils waste. The main driver for the lower 2023 rate was fewer construction and demolition projects, of which 65% of the nonhazardous debris has to be recycled or salvaged for reuse. Additionally, Sacramento experienced unprecedented storms during the winter of 2023, resulting in damage to 450 utility poles. Utility poles cannot be recycled, which added to the overall waste stream.

## **4. Challenges**

In 2023, challenges associated with meeting the SD-7 goals were related to Zero Carbon Plan projects. As we continue to look for opportunities to build solar projects in Sacramento County and retrofit our existing infrastructure to accommodate the increased load associated with building electrification, electric vehicles, and new development in the downtown Sacramento area, we are encountering new constraints that require increased funding as we try to navigate towards mitigation solutions.

## **5. Recommendation**

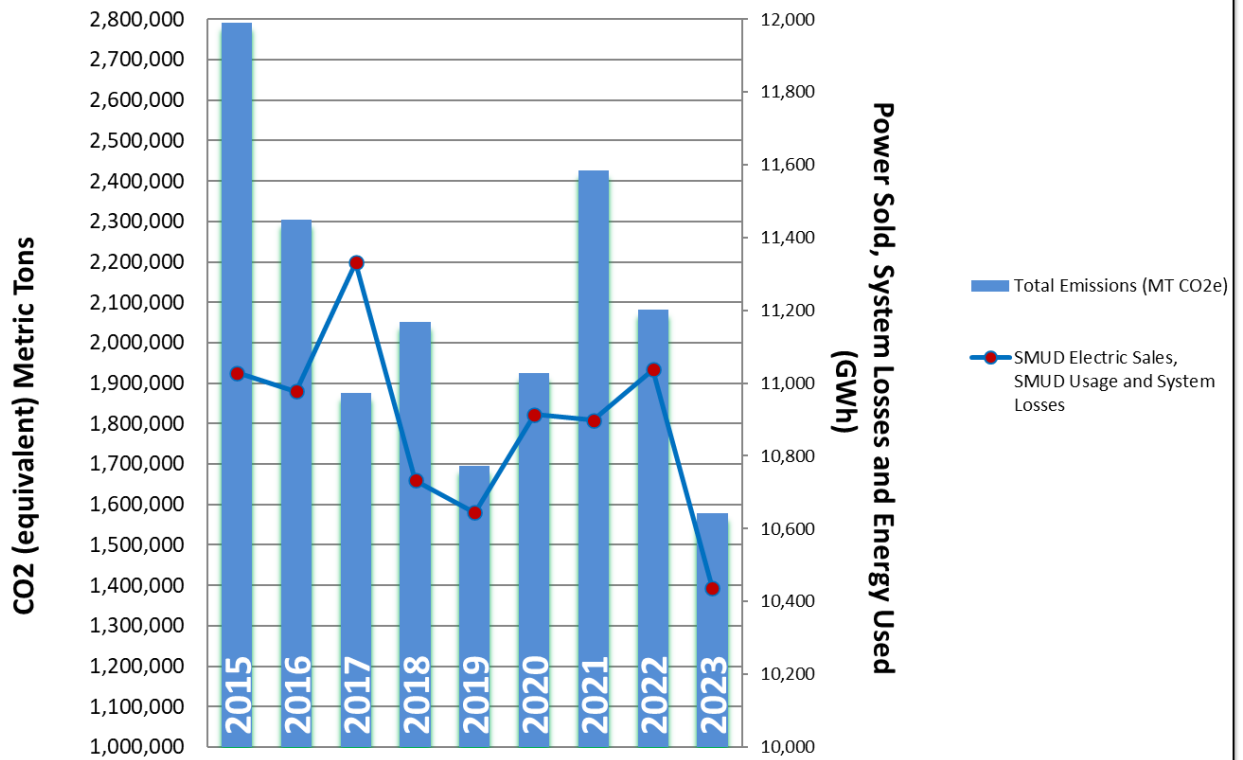
It is recommended that the Board accept the Monitoring Report for SD-7, Environmental Leadership.

## **6. Appendices**

- A. 2015-2022 SMUD Greenhouse Gas Emissions Trends
- B. Sustainable Communities Deliverables and Accomplishments To-Date
- C. List of Acronyms

## Appendix A<sup>1</sup>

### 2015-2023 SMUD Greenhouse Gas Emissions Trends



\* SMUD electric sales are net of wholesales electricity.

Thermal Power Plant Greenhouse Gas Emissions			
Source	2022 MMT CO2e	2023 MMT CO2e	Percent Change
Thermal Emissions less any Cogen Sales			
Cosumnes	375	1,117	198%
Proctor & Gamble	324	270	-17%
Campbell	414	275	-34%
Carson	101	62	-39%
McClellan	2.55	2	-34%
Power Purchased and System Losses	815	627	-23%
Net of Unspecified Market Purchases and Sales	74	-774	-1171%
<b>Total</b>	<b>2,082</b>	<b>1,579</b>	<b>-25%</b>

<sup>1</sup> Unlike SD-9, the emissions data in SD-7 is not normalized.

## Appendix B

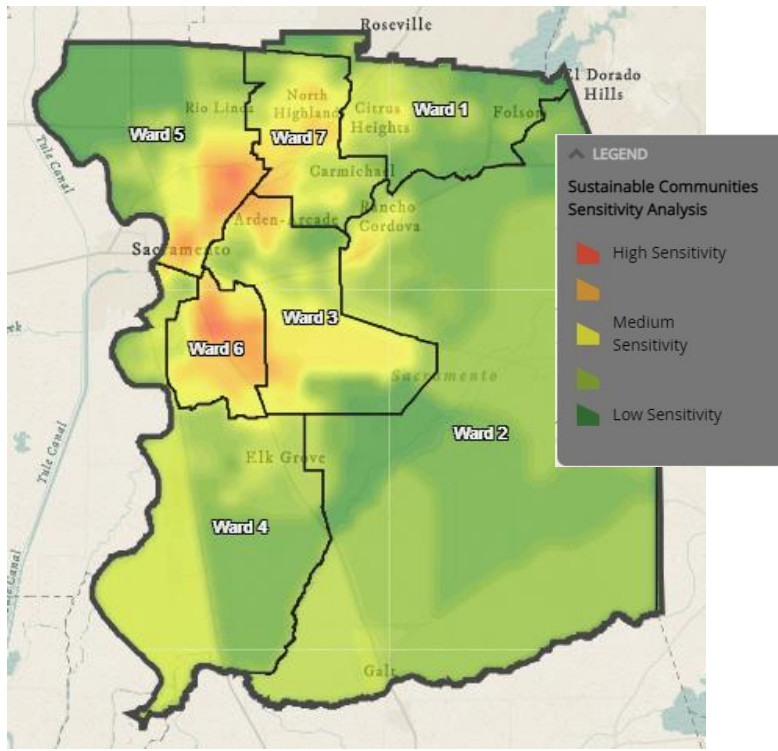
### Sustainable Communities Deliverables and Accomplishments To-Date

Current Projects	All Projects
<b>\$35.11M</b>	
<small>Total SMUD Investment - All Projects</small>	

## Sustainable Communities Dashboard



## Sustainable Communities Resource Priorities Map 3.0



To answer the call for a just and equitable clean energy transition, SMUD created the Sustainable Communities Resource Priorities Map, which analyzes current data to identify the local areas most likely to be under-resourced or in distress due to lack of community development, income, housing, employment opportunities, transportation, medical treatment, nutrition, education, and clean environment.

SMUD is continuing to analyze how various energy programs and projects can be enhanced or expanded to improve equity, incorporating what community members themselves feel is needed to achieve a more equitable energy future.



## **Appendix C**

### List of Acronyms

<b>ACS</b>	Asset Controlling Supplier
<b>BSCE</b>	Business Council for Sustainable Energy
<b>CARB</b>	California Air Resources Board
<b>CDP</b>	Carbon Disclosure Project (formerly)
<b>CIP</b>	Community Impact Plan
<b>CNPS</b>	California Native Plant Society
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>CO<sub>2e</sub></b>	Carbon Dioxide Equivalent
<b>COP28</b>	Council of Parties; the United Nations Climate Change Conference
<b>EPA</b>	Environmental Protection Agency
<b>EPRI</b>	Electric Power Research Institute
<b>GHG</b>	Greenhouse Gas
<b>MT</b>	Metric Tons
<b>ROW</b>	Right of Way
<b>ROWSC</b>	Right of Way Stewardship Council
<b>SD</b>	Strategic Direction
<b>SF<sub>6</sub></b>	Sulfur Hexafluoride
<b>SMUD</b>	Sacramento Municipal Utility District
<b>STF</b>	Sacramento Tree Foundation
<b>TCR</b>	The Climate Registry

**RESOLUTION NO. 24-09-03**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-9, Resource Planning**, substantially in the form set forth in **Attachment B** hereto and made a part hereof.

Approved: September 19, 2024

INTRODUCED: DIRECTOR KERTH				
SECONDED: DIRECTOR SANBORN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON				X
FISHMAN	X			
KERTH	X			
TAMAYO				X
SANBORN	X			

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**

**OFFICE MEMORANDUM**

**TO:** Board of Directors

**DATE:** August 28, 2024

**FROM:** Claire Rogers *CR 8/28/24*

**SUBJECT: Audit Report No. 28007751**  
**Board Monitoring Report; SD-9: Resource Planning**

Internal Audit Services (IAS) received the *SD-9 Resource Planning 2023 Annual Board Monitoring Report* and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

**CC:**

Paul Lau

# Board Monitoring Report 2023

## SD-9, Resource Planning



### 1. Background

It is a core value of SMUD to provide its customers and community with a sustainable power supply using an integrated resource planning process.

A sustainable power supply is one that reduces SMUD's greenhouse gas (GHG) emissions to serve retail customer load to zero by 2030. Zero GHG emissions will be achieved through investments in energy efficiency, clean distributed energy resources, renewables portfolio standard (RPS) eligible renewables, energy storage, large hydroelectric generation, clean and emissions free fuels, and new technologies and business models. Additionally, SMUD will continue pursuing GHG savings through vehicle, building and equipment electrification.

SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water and air quality, including Tribal and other cultural impacts, and maintain competitive rates relative to other California electricity providers.

To guide SMUD in its resource evaluation and investment, the Board sets the following energy supply goal:

Year	Greenhouse Gas Emissions (metric tons)
2020	2,318,000
2030 - beyond	0

In keeping with this policy, SMUD shall also achieve the following:

- 1) Pursue energy efficiency and electrification to reduce carbon emissions by 365,000 metric tons from buildings and 1,000,000 metric tons from transportation in 2030 (the equivalent of 112,000 single family homes and 288,000 passenger vehicles electrified).
- 2) Procure renewable resources to meet or exceed the state's mandate of 33% of SMUD's retail sales by 2020, 44% by 2024, 52% by 2027, and 60% of its retail sales by 2030 and thereafter, excluding additional renewable energy acquired for certain customer programs.
- 3) In meeting GHG reduction goals, SMUD shall:
  - i) Emphasize local and regional benefits.
  - ii) Improve equity for under-served communities.
- 4) Explore, develop, and demonstrate emerging GHG-free technologies and business models.
- 5) Promote cost effective, clean distributed generation through SMUD programs.

### 2. Executive Summary

As this report demonstrates, **SMUD was in compliance** with and continued to work towards the key Strategic Direction 9 (SD-9) goals in 2023. Our GHG emissions to meet customer electricity needs were approximately 1,579 thousand metric tons (MT) of carbon dioxide equivalent (CO<sub>2</sub>e) in 2023. Normalized GHG emissions, which represent what our emissions would have been if customer load, hydro, and wind generation were as expected, were 1,805 thousand MT CO<sub>2</sub>e. We continued to make progress on our 2030 zero carbon goal through new renewable energy contracts, exploring new emerging clean technologies, compliance with the Renewables Portfolio Standard (RPS), and gains in clean energy customer programs, with focuses on our under-served communities.

### 3. Additional Supporting Information

SD-9 sets various sustainable power supply goals for our integrated resource plan (IRP) as well as for our customer programs. Our IRP process informs long-term strategic development of programs and generation resources and balances reliability, sustainability, environmental, financial, and customer benefits while achieving SD-9 goals. In 2021, the Board adopted the 2030 Zero Carbon Plan (ZCP) as our IRP and revised our SD-9 targets in line with the plan (for a detailed history of SD-9, see Appendix A). The ZCP is our roadmap to eliminating GHG emissions from our electricity supply by 2030. Our progress related to SD-9 goals and implementation of our ZCP is detailed below and in Appendix C.

#### A. Greenhouse Gas Emissions

GHG emissions associated with meeting customer electricity needs were 1,579 thousand MT CO<sub>2</sub>e, a 24% decrease relative to 2022 (Table 1). Our main sources of GHG emissions were from our thermal power plants. The primary drivers for the GHG emission reductions in 2023 were increased generation from the UARP hydro fleet due to increased rain and snow in the western United States, new delivery of geothermal energy, and targeted purchases of high-quality renewable energy credits equivalent to approximately 4.5% of retail sales. Normalized GHG emissions were 1,805 thousand MT CO<sub>2</sub>e, a 5% increase relative to 2022. See Appendix B for more detail on SMUD’s normalized emissions and how they are calculated.

**Table 1: SD-9 GHG Emissions & Near-term Targets**

Source	Net Power (GWh)	GHG Emissions (Thousand MT CO <sub>2</sub> e) <sup>1</sup>
Net Generation and Specified Power Purchases	13,749	2,354
Net Wholesale Transactions (un-specified purchases less sales)	-3,313	-775
<b>GHG Emissions to meet customer load (non-normalized) SMUD Electric Sales, SMUD Usage and System Losses</b>	<b>10,436</b>	<b>1,579</b>
Normalization Adjustment for Expected Load		+83
Normalization Adjustment for Expected Hydro		+170
Normalization Adjustment for Expected Wind		-27
<b>Normalized Emissions (estimate)</b>		<b>1,805</b>
<b>2030 Target</b>		<b>0</b>

#### B. Energy Efficiency and Electrification

SMUD’s energy efficiency and building electrification goals are supported by building electrification rebates and retailer incentives for residential and commercial customers for new construction and retrofit programs. SMUD’s vehicle electrification portfolio includes residential EV charger incentives, dealership incentives, residential outreach, commercial charger incentives, and commercial vehicle incentives. Table 2 shows the progress made by these programs in 2023.

<sup>1</sup> Based on SMUD’s internal accounting and represents the best estimate available. The thermal power plant emissions, SMUD’s largest source of emissions, have been independently verified. Biogenic emissions are excluded as they are part of the natural carbon cycle. Detail on SMUD’s thermal power plant GHG emissions are provided in SD-7.

**Table 2: Energy Efficiency and Electrification Progress in SMUD Territory**

SMUD Portfolio	2023 Additions	Cumulative Total	2023 Cumulative Emission Reduction
<b>Building Electrification &amp; Energy Efficiency</b>	6,055 all-electric homes equivalent <sup>2</sup>	16,152 all-electric homes equivalent <sup>3</sup>	102,395 MT CO <sub>2</sub> e <sup>4</sup>
<b>Vehicle Electrification</b>	13,837 EVs registered <sup>5</sup>	46,233 EVs registered	147,945 MT CO <sub>2</sub> e <sup>6</sup>

**C. Renewable Resources**

We continue to expand our portfolio of renewable resources to meet state RPS requirements and the needs of the ZCP. Updates on these efforts are provided below.

**California Renewable Portfolio Standard (RPS)**

Although our goals are more ambitious than already aggressive state mandates, we continue to implement a renewable energy strategy that fulfills state RPS requirements. Using existing and new RPS eligible renewable generation, we are on-path to achieving our RPS compliance obligation for the 2021 – 2024 compliance period and the next RPS statutory requirement of 44% RPS in 2024. See Appendix B for a detailed discussion of the compliance period obligation.

**Proven Clean Technologies and Zero Emission Resource Development**

To meet our ZCP 2030 goal, we continue to pursue proven clean technologies, such as wind, geothermal, solar, and energy storage. In 2023, we added 100 MW of geothermal to our portfolio, resulting in an annual portfolio emission reduction of 193 thousand MT CO<sub>2</sub>e. Since the adoption of the ZCP in 2021, we have added proven clean technology projects totaling 200 MW of generation and 4 MW of storage. An additional 958 MW of generation and 351 MW of storage are in various stages of planning or development with online dates prior to 2030. Beyond the projects identified in this report, we are regularly reviewing and pursuing new project opportunities. More details are provided in Appendix C.

**Voluntary Renewable Energy Programs**

We continue to expand our customers’ voluntary renewable program choices and align the programs to our ZCP. In 2023, we delivered a total of 823 GWh (8.1% of retail sales) to customers participating in either Greenergy or SolarShares. Our Greenergy program delivered 501 GWh, which served more than 63 thousand residential and commercial accounts. The SolarShares program for both residential and commercial accounts delivered 322 GWh. Most noteworthy, our residential Neighborhood SolarShares program continued to grow and served 859 participants, a 76% increase from 2022. In addition, Residential SolarShares launched a program specifically for low- and moderate-income customers in December 2023.

<sup>2</sup> All-electric homes equivalent is defined as the sum of all fully electrified homes, as well as the all-electric home contribution of individually electrified HVAC systems, heat pump water heaters, and stoves across different homes in SMUD’s service territory.

<sup>3</sup> Cumulative total since 2021.

<sup>4</sup> The DER Cost Effectiveness Tool evaluates and accounts for DER program effectiveness, calculating gross annual emissions impact. It is reported in each year the “measure” is installed on the grid and within its useful life.

<sup>5</sup> EPRI Vehicles in Operation report.

<sup>6</sup> 1 EV is equivalent to 3.2 MT of GHG reduction.

## D. Emerging GHG-free technologies and business models

To fully decarbonize our energy supply by 2030 as part of our ZCP, we need to explore, develop, and demonstrate new and emerging clean technologies. Highlights of work completed in this area in 2023 are listed below with additional achievements provided in Appendix C:

- Carbon Capture & Storage. Supported Calpine in pursuing and winning a \$270 million grant under the DOE's Carbon Capture Demonstration Projects Program for the 550 MW Sutter Energy Center in Yuba City. SMUD would buy power from the Sutter Energy Center Carbon Capture project, which would reduce our GHG emissions by over 1 million MT CO<sub>2</sub>e annually.
- Long Duration Energy Storage (LDES). Completed construction and commissioning of the first 0.5 MW of 4 MW of planned LDES iron flow battery at the Sacramento Power Academy adjacent to the Hedge Substation.
- Connected Clean Power Cities. Kicked off planning and execution for the multi-year DOE grant-funded Connected Clean Power Cities project to deploy advanced meters, distributed energy resource management system (DERMS) functionality, outage management systems, load control technology, and a Tribal case study.
- DER Load Flexibility. Designed, developed, and began testing phased enhancements to DERMS to integrate DER load flexibility programs with distribution and bulk system operations.
- Commercial Demand Side Grid Support. Launched a program option for commercial customers to participate in CEC's Demand Side Grid Support program.
- Hydrogen Hubs Grant. Pursued the DOE Regional Clean Hydrogen Hubs grant application in collaboration with the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES), resulting in a \$1.2 billion award to help advance the California Hydrogen ecosystem. SMUD-proposed projects were placed in Tier 2 as back up to Tier 1 and have not received funding yet.

## E. Local and Regional Benefits and Under-resourced Communities

Implementation of our ZCP delivered wide-reaching benefits to our community, including expanded workforce development, while focusing on equity in our communities.

### ***Community Impact Plan***

In 2023, we continued to implement the Community Impact Plan, a stakeholder-informed strategy adopted in 2022, which underlines our commitment to making meaningful investments in under-resourced communities to ensure their participation in a clean energy future. Our 2023 Community Impact Plan accomplishments included:

- Residential Neighborhood Electrification. We installed 187 energy efficiency and electrification measures for 61 income-qualified customers in the North Highlands and Strawberry Manor neighborhoods, as part of our Residential Neighborhood Electrification program.
- Business District Electrification. We launched our Business District Electrification program, which includes information and education on SMUD programs, the ZCP, and no-cost energy assessments and customized "energy bundle" recommendations for interested under-resourced commercial customers in prioritized neighborhoods. The recommendations include a combination of lighting, energy efficiency, building electrification and/or EV charging, and can result in 100% funding of approved energy bundle recommendations.

### ***Local Workforce Development***

Through a collaborative and community-based approach, we partnered with community organizations and education entities to create training programs that advanced jobs and skills related to emerging zero carbon energy and electrification. Participants from under-resourced communities will be well-positioned to fill the projected need for workers in the clean energy

industry and other emerging high wage careers. In 2023, the Regional Workforce Development team partnered with 48 community organizations to reach 3,199 youth and adults with career education and training and help 856 trainees find meaningful employment.

## **F. Distributed Generation and Storage**

SD-9 requires that SMUD develop programs to promote cost effective, clean distributed generation. The following describes progress on these programs in 2023.

### ***Flexible Demand Programs***

Our flexible demand programs seek to optimize operation of our customer-partner's equipment and distributed energy resources in a way that balances customer-partner and grid needs by compensating customers for the grid benefits they provide. The following selection of programs have made notable contributions to our load flexibility goals in 2023:<sup>7</sup>

- My Energy Optimizer Partner+ program for battery storage (a residential virtual power plant program) launched in August 2023 and enrolled 80 customer batteries resulting in 0.4 MW of load reduction capability.
- My Energy Optimizer Partner program for smart thermostats enrolled over 23,802 devices installed in the homes of 19,510 customers, including 791 on the Critical Peak Pricing rate,<sup>8</sup> with total potential load reduction capacity of 18.6 MW .
- Peak Conserve program for AC load control switches launched in 2023. In the first year, 1,338 devices were installed totaling 1.3 MW of potential load shed capacity.
- PowerDirect®, an automated demand response (ADR) program for commercial customers, achieved a load shed potential of 21.2 MW by the end of 2023.
- Time-of-Day rates, which give the majority of our customers more time on the lower priced non-summer seasonal rate, reduced our annual residential peak load by 131.7 MW, or 7.4%.

### ***Customer-side Solar and Storage***

Customer-sited distributed generation and storage continued to expand in 2023. Residential and commercial customers installed 34.8 MW (5,591 systems) of solar PV and 3.1 MW (428 systems) of storage. For more detailed information, see Appendix C.

## **4. Challenges**

Challenges to meeting SD-9 goals in 2023 included ongoing project delays and increased competition for renewable resources. Low-carbon power continued to be scarce and expensive in California and the western United States. Our increased hydro production, growth in renewables, and short-term REC purchases offset these challenges.

## **5. Recommendation**

It is recommended that the Board accept the Monitoring Report for SD-9.

## **6. Appendices**

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<sup>7</sup> Not a comprehensive list of SMUD's load flexibility programs. Only programs that grew in 2023 are listed here.

<sup>8</sup> Critical Peak Pricing (CPP) is an optional time-based rate. This rate is in addition to the Time-of-Day Rate (5-8 p.m.) and gives customers a discount throughout non-Peak-Event hours in exchange for higher prices during Peak Events.



## Appendix A – SD-9 History

SD-9 was established by our Board in 2004 and provides direction for our ongoing environmental leadership and our IRP process, while balancing financial and customer rate impacts, reliability requirements, and equity. Our strategic directions have evolved as markets, policies, and laws have changed. In December 2008, the Board added sustainable power supply as the overall objective of the IRP process and set a GHG emissions target. In 2018 the Board updated our GHG reduction goals to include a 2040 Net Zero GHG goal. In 2020, our Board adopted a Climate Emergency Resolution that calls on the Board to work towards carbon neutrality by 2030. Also in 2020, the Board adopted carbon-based targets for energy efficiency and building electrification. This was the first time a major utility used carbon as its efficiency tracking metric. In April 2021, the Board adopted Resolution No. 21-04-04 which updated the SD-9 to align with our ZCP goal of zero GHG emissions in our energy supply by 2030 and included specific goals for GHG reductions from electrification. In our path to zero carbon by 2030, we are focusing on procuring new zero carbon and renewable energy resources, expanding customer programs for energy efficiency and building and transportation electrification, developing new customer programs, investigating emerging zero carbon technologies, and continuing our work to improve equity for our under-resourced communities and enhance the health of our ecosystems. Under SD-9, our goal is more aggressive than California’s planned trajectory, which requires that utilities meet electric demand with at least 60% eligible renewable resources by 2030 and to achieve economywide carbon neutrality by 2045.

## Appendix B – Methodology

### ***Normalized GHG Emissions***

SMUD’s normalized emissions are calculated using a GHG accounting framework that adjusts our actual emissions up or down, to account for factors outside of our planning control. These factors can result in higher or lower than expected customer load, hydro generation, and wind generation that is not attributable to SMUD’s actions. At the beginning of the year, a best-estimate forecast is established for load, hydro, and wind generation based upon expected weather and anticipated customer growth. Extreme weather can increase or decrease actual emissions and require a normalization adjustment. For example, extreme drought can decrease hydro generation, increasing the need for generation from nonrenewable resources, and requiring an equivalent reduction to normalized emissions. Normalized emissions therefore more accurately represent what our emissions would have been if there were no unforeseeable external factors.

Normalization adjustments to actual GHG emissions in 2023 include:

- An *increase* to account for lower-than-expected customer load.
- An *increase* to account for higher-than-expected hydro production.
- A *decrease* to account for lower-than-expected wind production.

### ***Renewables Portfolio Standard Compliance Period Obligations***

State law requires that SMUD procure renewable generation for at least 60% of retail sales by 2030 as well as achieve interim targets over several compliance periods.<sup>9</sup> The State determines compliance with RPS obligations by compliance period rather than individual year in acknowledgment of the “lumpiness” of new resource additions and to provide some flexibility to utilities. In 2023, renewable generation increased relative to 2022. This was largely due to energy deliveries from the Geysers geothermal project, a full year of operation from the Drew solar project, and purchases of short-term renewable contracts totaling over 1,400 GWhs of renewable

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<sup>9</sup> Senate Bill 100 (De León, Chapter 312, Statutes of 2018) increased RPS targets to 44% by the end of 2024, 52% by the end of 2027, 60% by the end of 2030 and set a statewide planning goal to meet 100% of retail electricity sales with RPS eligible and zero-carbon resources by 2045.

generation. Through the renewables additions in 2023, along with short-term contract purchases committed for 2024, we are well positioned to meet the RPS targets for compliance period 4 (2021 – 2024) and continue to plan RPS eligible resources to meet future compliance period requirements.

## Appendix C – Detailed Project Descriptions

### Energy Efficiency and Building Electrification

Our goal is to have building electrification and energy efficiency programs reduce GHG emissions by 365,000 MT CO<sub>2e</sub> in 2030, the equivalent of electrifying 112,000 single family homes (see Table 2 for progress). Table 3 provides a more detailed summary of some of our 2023 energy efficiency and building electrification accomplishments, including offerings for our income-qualified customers.

**Table 3: Energy Efficiency and Building Electrification Accomplishments**

Measures & Projects Highlights	Install Count
Commercial Retrofit Projects Completed	308
New Efficient Commercial Buildings Projects Completed	16
Multifamily Units Retrofitted	1,113
Efficient Induction Cooktops (Electric to Electric)	150
Efficient Induction Cooktops (Gas to Electric)	392
Residential Heat Pump Water Heaters Installed (Electric to Electric)	55
Residential Heat Pump Water Heaters Installed (Gas to Electric)	940
Residential HVAC Installations (Electric to Electric)	304
Residential HVAC Installations (Gas to Electric)	2,914
Residential Seal and Insulate Installations	360
All Electric New Homes and Multifamily units Constructed	1,925
Income-Qualified Measures & Projects Highlights	Install Count
Panel Upgrades	86
Heat Pump Space Heating (Gas to Electric)	482
Heat Pump Water Heaters (Gas to Electric)	198
Induction Stoves (Gas to Electric)	97
Induction Hot Plates for Renters	137
Total energy efficiency bundles and electrification measures	2,072

### Vehicle Electrification

Our goal is to have our vehicle electrification programs reduce transportation GHG emissions by 1,000,000 MT CO<sub>2e</sub> in 2030, the equivalent of electrifying 288,000 vehicles (see Table 2 for progress). In 2023, we expanded our residential and commercial transportation electrification programs to accommodate the adoption of electric vehicles (EV) throughout our service territory, with particular attention to under-resourced communities.

The residential Drive Electric program continued to promote the adoption of plug-in EVs through a variety of program offerings, including the residential EV discount rate, SMUD Charge@Home rebates, participation in Ride & Drive educational events, and our engagement and training of local auto dealers. Below are some metrics related to the residential Drive Electric program:

- EV Rate Credit. In 2023, approximately 56% of residential EV households, equivalent to 23,329 customers, participated in the EV rate credit (midnight to 6 AM EV charging discount).<sup>10</sup>
- Ride & Drive. Seven EV Ride & Drive events, including two in under-resourced communities, were held throughout our territory and we hosted over 3,100 in-car experiences.
- Charge@Home. We provided residential customers with incentives for 5,045 EV chargers, installations/circuits, and/or circuit sharing devices through the Charge@Home program.
- PlugStar Certified Dealers. We continued to fund local dealer certification as PlugStar certified dealers. Twenty-four dealers are participating in the program, and 146 dealer staff were trained. We additionally completed our fourth EV auto dealership competition to encourage and incentivize EV sales and reward dealerships and their staff for increased EV promotion.
- EV Advisor. We began transitioning from the Plug In America EV Support Program to our own EV Advisor program and provided over 2,000 customers expert one-on-one EV advice and support between August and December. The Plug In America and SMUD EV advice programs together provided this support through over 3,000 SMUD customer inquiries.
- Clean Cars for All. We continued integral support of the Clean Cars for All program in conjunction with SMAQMD. This program provides up to \$9,500 toward a new or used PHEV for income-qualified residents living in areas impacted by higher levels of pollution (disadvantaged communities). We installed 11 EV chargers for income-qualified residents through Clean Cars for All in 2023.
- Income-Qualified Installations. We installed 384 EV circuits and 134 EV supply equipment (EVSE) for income-qualified customers to prepare homes for the addition of an EV and a charger.

The Commercial EV Program updates for 2023 include:

- Commercial Installations. Total commercial EV Program incentives in 2023 included the installation of 368 level II EV chargers, including 33 DC fast chargers.
- eFuel Services. Commercial customer offerings were expanded with eFuel Services, which included an eFuel Advisor service. eFuel Advisor helps commercial fleet customers build a fleet electrification plan, including site analysis, charger recommendations, and cost estimates.
- FAST Grant. In partnership with Sacramento International Airport (SMF), Sacramento Valley Station, California State University Sacramento, ChargerHelp, and AECOM, we won a FAST (Fast and Available Charging for All Californians) grant from the CEC to deploy DC fast chargers at three strategic locations in Sacramento, enabling increased access to EV charging for ride-share drivers, food delivery drivers, rental car fleets, shared mobility services, and residents. The project will replace aging and obsolete first-generation Level 3 chargers with efficient and reliable DC fast chargers at SMF.

### ***Proven Clean Technologies and Zero Carbon Resource Development***

Our project development pipeline for proven clean technology projects is shown in Table 4. The table includes completed and planned procurement activities since adoption of the ZCP in 2021.

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<sup>10</sup> SAP Installation Fact 5090 Rates report, and EPRI Vehicles In Operation report.

**Table 4: New Procurement and Project Development Status**

Project Name	Type	Projected Online Year	Status <sup>11</sup>	Size (MW)	Equivalent Homes Powered	Emissions Avoided (MT CO <sub>2</sub> /year)
<b>Completed ZCP Projects</b>						
Hedge Battery	Local Battery	2022	Online	4	800 (peak)	N/A
NTUA	Regional Solar PV	2022	Online	100	33,498	70,476
Calpine Geysers	Geothermal	2023	Online	100	91,980	193,513
Subtotal	Generation			200	126,278	263,989
	Storage			4		
<b>Planned ZCP Projects</b>						
ESS Battery Pilot	Long-duration Storage	2024-2026	Partially Online	4	800 (peak)	N/A
Solano 4	Wind	2024	Online	86	33,660	70,816
Slough House	Local Solar PV	2025	Under Development	50	13,780	48,369
Coyote Creek	Local Solar PV	2026	Under Development (Delayed)	200	55,234	193,870
	Local Battery			100	20,000 (peak)	N/A
Country Acres	Local Solar PV	2026	Under Development	344	70,756	248,352
	Local Battery			172	34,400 (peak)	N/A
McClellan Battery	Local Battery	2027	Planning	75	15,000 (peak)	N/A
Grace	Regional Solar PV	2027	Planning	70	22,511	47,359
Solano 2 Repower	Wind	2029	Planning	108 <sup>12</sup>	36,333	76,440
Calpine Geysers II	Geothermal	2028	Planning	50	46,233	97,269
		2030		50		
Subtotal	Generation			958	348,707	782,475
	Storage			351		
<b>Grand Total</b>	<b>Generation</b>			<b>1,158</b>	<b>474,985</b>	<b>1,046,464</b>
	<b>Storage</b>			<b>355</b>		

Looking forward, we continue to explore multiple options to procure or develop additional renewable and zero carbon resources, including local solar and storage. Potential projects are thoroughly screened based on cost, project online date, environmental and cultural impacts, and feasibility, to ensure projects meet our specific requirements. We continue to uncover and pursue new project opportunities in support of our 2030 zero carbon goal.

**Emerging GHG Free Technologies and Business Models**

In 2023, we continued to fund research and development efforts as well as pursue grants for clean energy and GHG reduction projects in 2023 and beyond as part of our ZCP. Below are additional projects that we explored in 2023. More information on our research and development work can be found in the 2023 SD-10 Report.

<sup>11</sup> As of August 2024.

<sup>12</sup> The Solano 2 Repower project will increase existing capacity at the site by 21 MW, from 87 MW currently to a total of 108 MW. The corresponding equivalent homes powered and emissions avoided figures for the Solano 2 Repower Project are for the total capacity at the site of 108 MW and therefore correspond to some existing capacity.

- Low-carbon Fuel Standard (LCFS) Electricity Pathways. For Van Warmerdam, New Hope and Van Steyn Dairy Digesters, carbon intensities and annual reports were submitted to CARB. The dairy digesters produce low-carbon electricity. To certify that these resources are low-carbon, we track each digester’s carbon intensity and submit this data to the California Air Resources Board (CARB) LCFS program on an annual basis.
- Hydrogen Blend Collaborative Research. Continued monitoring and participation with the DOE HyBlend and CEC Targeted Hydrogen Blending grants, aspiring to address the barriers on pipeline blending materials compatibility and degradation related to hydrogen blending into the natural gas pipeline. Resulting data from this project will be used for techno-economic analysis to quantify costs and opportunities of H2 production and blending with natural gas.
- Thermochemical Conversion of Biomass to Hydrogen. This project received a \$500k award from the Department of Conservation Forest Biomass to Carbon-Negative Biofuels Pilot Program in December 2022 for a PreFEED study, for which work continued in 2023. The project concept is to use waste biomass from clearing the UARP transmission corridor for thermochemical conversion to hydrogen. The duration of this grant execution was extended to end of September 2024.
- BestFit Innovative Charging Solutions. We worked with Ford Pro (who acquired Electriphi, the project lead applicant), in collaboration with other key partners to demonstrate a cost-efficient and grid-friendly pathway for fleet electrification across diverse vehicle types. This project will accelerate vehicle-to-grid, offsetting what would otherwise be a cost to SMUD.
- Multifamily EV Charging Community. In December 2023, we were awarded a second grant in the CEC’s Reliable, Equitable, and Accessible Charging for Multi-family Housing grant (GFO-22-614). Through our proven Multifamily program, we proposed to deploy at least 400 private AC chargers at 20 multifamily (MF) properties and 50 public AC chargers at MF-adjacent community partner locations in Sacramento. At least 90% of these will serve CalEnviroScreen 4.0 (CES4) priority populations and income-qualified residents.
- Agrivoltaics Research. Continued planning for Agrivoltaics research at SMUD’s proposed Country Acres solar facility with partner UC Davis. Project was presented to the Placer County Agricultural Commission for discussion and feedback. Specific requirements were developed and integrated into the overall project design and the site’s Sustainable Communities plan. Began work on an operational Memorandum of Understanding to guide project implementation. This effort will examine the costs and benefits of the integration of crops and solar electricity production.

### ***Sustainable Communities & Income-Qualified Programs***

Implementation of our ZCP will deliver wide-reaching benefits to our community while focusing on equity and strengthening our communities. Our Community Impact Plan is a three-year plan to increase energy equity outcomes on our road to zero carbon. These community-driven outcomes are focused on three areas: affordability, equitable access, and community engagement and education. Programs include capacity building for nonprofit organizations, neighborhood and business district electrification for residential and commercial customers, and regional workforce development programs.

- Building Electrification and Energy Efficiency. We continued expansion of our existing efforts to provide no-cost energy retrofit installations to income-qualified residential customers for both gas-to-electric conversions and electric-to-electric upgrades. Building Electrification and Energy Efficiency measures related to income-qualified customers are reported previously in Table 4.
- Transportation Electrification. SMUD EV programs provided low cost or free EV charging infrastructure for income-qualified customers and expertise on home charging solutions. EV

measures related to income-qualified customers are reported in the Vehicle Electrification section above.

- Load Flexibility. Our portfolio of load flexibility programs support the 2030 zero carbon goal, yet they can sometimes require costly technologies, such as a smart thermostat, EV, or battery storage system to participate. We continued to explore ways in which our load flexibility programs can be more inclusive despite this barrier. In 2023 we installed 36 solar systems, 4 of which included battery storage, so customers could participate in our virtual power plant program. Additionally, our Peak Conserve program offers free installation of AC load control devices to ensure all customers can take part in the clean energy journey.
- Shine Awards. The Shine Awards program invests in local nonprofit partners that execute inclusive and equitable projects through collaborations and partnerships supporting our historically under-resourced communities. In 2022, 113 organizations submitted applications with compelling and competitive projects to improve access to workforce development trainings, STEM education, electrification and environmental education and stewardship. From the 113 submitted applications, 22 projects totaling \$513,663 were awarded in 2023. Projects included energy-efficiency and electrification measures and indoor/outdoor LED lighting resulting in reduced energy bills for these non-profits.
- Workforce Development. Our 2023 Regional Workforce Development Career Pathways programs recruited and trained individuals from Sustainable Communities target neighborhoods to work in areas directly impacting our region's ability to meet our 2030 zero carbon goals. Our 2023 training partners included Grid Alternatives, Northern California Construction Training Inc. (NCCT), and Cosumnes River College, whose programs trained our community in skills related to solar, battery, EV, and electrification technologies and supported graduates with employment services such as connecting with employers, resume writing help, and career coaching. Key work in 2023 involved:
  - Worked to ensure that largescale infrastructure projects have demonstrable community benefits, and wrote those benefits into several major grant efforts, creating equitable pathways to the employment opportunities.
  - Launched a new Electrician Trainee program with NCCT, which trained 72 people and placed 24 people in jobs leading to careers as electricians. The focus of the program is helping to put more diverse apprentices in the IBEW pipeline.
  - Partnered with Cosumnes River College to offer a new Construction Electrification course that provides enrollees with a stipend to complete 36 hours of lecture and 54 hours of hands-on learning. The focus of the course is on understanding the importance of building electrification and how to install heat pumps, EV chargers, and other supporting electrical infrastructure. Upon graduation, students earn industry relevant certifications along with 3 course units that can be applied to a Construction Pre-Apprenticeship or Construction Management Credential. Fourteen individuals completed the inaugural class in 2023.
  - Through our ongoing partnership with Grid Alternatives, 50 people received solar and electrification training, with 33 participants being placed into jobs.
- Sustainable Communities Resource Priorities Map. To deploy comprehensive resources for our communities most in need, we continued to align our region's investments toward the goal of creating and supporting healthy, vibrant, and economically sustainable neighborhoods. Our Sustainable Communities Resource Priorities Map was updated in 2023 with real-time data and metrics to identify neighborhood carbon emissions and tree canopy cover. This 3rd iteration of the map will help inform resource allocation, reduce growing economic disparity in Sacramento County, and ensure the benefits of our ZCP are shared equitably among all communities.

### **Customer-side Solar and Storage**

Table 5 summarizes customer solar and storage systems installed in SMUD territory in 2023. By the end of 2023, SMUD had over 350 MW of cumulative customer solar and over 10 MW of cumulative customer storage.

**Table 5: 2023 Customer Solar PV and Storage Installations<sup>13</sup>**

	Residential		Commercial		Totals	
	Installed Systems	MW	Installed Systems	MW	Installed Systems	MW
Customer Solar PV	5,430	25.8	161	9.0	5,591	34.8
Customer Storage	427	3.0	1	0.1	428	3.1

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<sup>13</sup> This table includes net-energy metering (NEM), Solar Smart, virtual net-energy metering (VNEM), and Solar and Storage Rate installations.

**RESOLUTION NO. 24-09-04**

**WHEREAS**, by Resolution No. 24-01-05, adopted January 18, 2024, this Board authorized the Chief Executive Officer and General Manager to negotiate and execute a sole source contract with **Siemens Industry, Inc.** for the upgrade of their proprietary **Energy Management System (EMS)** for the term January 19, 2024, through December 31, 2026, for a total not-to-exceed amount of \$6,000,000; and

**WHEREAS**, SMUD determined it was necessary to, among other things, revise the project work scope and milestones and restructure applicable licensing and, rather than pursue a contract under terms authorized by Resolution No. 24-01-05, to bring renegotiated terms to the Board for approval to negotiate and execute a contract with **Siemens Industry, Inc.** for the **EMS** upgrade; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** Resolution No. 24-01-05 is hereby superseded and is of no further force or effect.

**Section 2.** That the Chief Executive Officer and General Manager, or his designee, is authorized on behalf of SMUD to negotiate and execute a sole source contract with **Siemens Industry, Inc.** for the upgrade of their proprietary **Energy Management System (EMS)** for the term September 20, 2024, through December 31, 2026, for a total not-to-exceed amount of \$7,000,000.

**Section 3.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the



contract; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amount and applicable contingencies.

Approved: September 19, 2024

INTRODUCED: DIRECTOR KERTH				
SECONDED: DIRECTOR SANBORN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON				X
FISHMAN	X			
KERTH	X			
TAMAYO				X
SANBORN	X			

**RESOLUTION NO. 24-09-05**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** This Board approves the revisions to the **Energy Risk Management and Energy Trading Standards**, substantially in the form set forth in **Attachment C** hereto and made a part hereof.

**Section 2.** Resolution No. 24-06-09 is superseded in its entirety.

Approved: September 19, 2024

INTRODUCED: DIRECTOR KERTH				
SECONDED: DIRECTOR SANBORN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON				X
FISHMAN	X			
KERTH	X			
TAMAYO				X
SANBORN	X			

# Attachment C to Resolution No. 24-09-05

## ENERGY RISK MANAGEMENT AND ENERGY TRADING STANDARDS SACRAMENTO MUNICIPAL UTILITY DISTRICT

### **PURPOSE**

The wholesale energy markets are exposed to numerous risks including, but not limited to, market price risk, supply risk, credit risk and regulatory risk. The purpose of the Energy Risk Management and Energy Trading Standards (the “Standards”) is to establish protocols for prudent risk mitigation and management.

### **SCOPE**

The Standards apply to:

- The operation of SMUD-owned or controlled generation, transmission, natural gas and other fuel reserves and pipeline assets;
- Contracts for and related to the purchase and sale of wholesale electricity, electric capacity and storage, natural gas and clean and emissions-free fuel, and environmental products;
- Contracts for and related to transmission, natural gas and clean or emissions-free fuel transportation, and storage; and
- Contracts for and related to financially hedging or mitigating risks associated with wholesale electricity, electric capacity and natural gas and other fuel prices, supplies and markets.

### **PRIORITIES**

The Chief Executive Officer/General Manager (CEO/GM) implement the Standards in accordance with Board policies and with the following priorities, listed in order of importance:

**Priority 1.** Manage resource mix to comply with Board Strategic Direction (SD-4) Reliability.

**Priority 2.** Minimize net commodity energy purchase costs while operating within the targets established in Board Strategic Direction (SD-3) Access to Credit Markets.

**Priority 3.** Optimize SMUD-owned or controlled assets, including but not limited to, generation, transmission, fuel reserves, pipeline assets, fuel storage and contract resources to create additional value for SMUD and its customers, while complying with Board policies and all applicable laws and regulations.

**Priority 4.** Provide our customers and community with a sustainable power supply in accordance with Board Strategic Direction (SD-9) Resource Planning.

**DIVERSIFICATION AND PORTFOLIO MIX**

SMUD will maintain a diverse portfolio of generation, transmission, fuel-related assets and contracts to reasonably mitigate risk and to support its clean energy goals. Risks associated with wholesale contracts will be mitigated through diversified terms and conditions, contract periods and durations, delivery points, counter-parties, and product types.

**PORTFOLIO RISK MANAGEMENT PROCEDURES**

The CEO/GM will develop and maintain written procedures to implement the Standards and will ensure that appropriate internal controls and limits are in place to ensure compliance with Board policies, the Standards and applicable laws and regulations. Consistent with Board policies and the Standards, the CEO/GM will analyze and implement risk mitigation measures, as appropriate. For illustrative purposes, examples of identified risks and risk mitigation tools are as follows:

<u>Risks</u>	<u>Risk Description</u>	<u>Risk Identification/Mitigation Tools</u>
Market Price Risk	The risk that the absolute price of a given commodity (power, gas) will fluctuate, thereby exposing the District to potential financial losses.	<ul style="list-style-type: none"> <li>• Market and volatility analysis</li> <li>• Forward price curve development</li> <li>• Net position and financial exposure analysis</li> <li>• Mark-to-market analysis</li> <li>• Net income-at-risk analysis</li> <li>• Diversification of product purchases</li> <li>• Dollar-average over time by programmatic purchases</li> </ul>
Weather/Volumetric Risk	The potential adverse economic impact of anticipated changes in supply and/or demand. For example, the risk of having less than average generation from SMUD’s hydro project due to a drier than normal year, or less than anticipated retail sales due to a cooler than normal summer.	<ul style="list-style-type: none"> <li>• Frequent snow surveys</li> <li>• Runoff forecast update</li> <li>• Diversification of volumetric hedging programs</li> <li>• Temperature vs. load analysis</li> <li>• Frequent hydro spill risk assessment</li> <li>• Maintain Hydro Stabilization Fund</li> <li>• Diversification of product purchases</li> </ul>

<u>Risks</u>	<u>Risk Description</u>	<u>Risk Identification/Mitigation Tools</u>
Credit/Counter-party Risk	The potential financial loss resulting from a counter-party's failure to honor its obligations, including the obligation to settle on a timely basis. For example, a bankrupt counter-party may force SMUD to cover the contracted obligation from the market at a higher price than originally contracted.	<ul style="list-style-type: none"> <li>• Credit Analysis</li> <li>• Credit Limits</li> <li>• Minimum rating levels</li> <li>• Diversification of counter-parties</li> <li>• Guarantees and financial assurances</li> <li>• Netting Agreements</li> </ul>
Supply/Delivery Risk	The risk of loss due to non-delivery of power and/or fuel; which could decrease SMUD's system reliability and/or increase financial exposure.	<ul style="list-style-type: none"> <li>• Diversification of delivery points</li> <li>• Retain delivery point flexibility/optionality when practicable</li> <li>• Transmission and pipeline capacity outage duration risk analysis</li> <li>• Natural gas and other fuel storage</li> </ul>
Unplanned Outage Risk	The risk of under-supply due to unexpected plant outages, which may increase SMUD's system reliability and/or financial exposure.	<ul style="list-style-type: none"> <li>• Historical plant performance risk analysis</li> <li>• Plant Outage Insurance</li> <li>• Planning and Operating Reserve Analysis</li> <li>• 24-hour trading desk to balance system needs on real-time basis</li> </ul>

<u>Risks</u>	<u>Risk Description</u>	<u>Risk Identification/Mitigation Tools</u>
Operational/Human Risk	The risk of human error or fraud, or the risk that the system of controls will fail to adequately record, monitor, and account for transactions or positions.	<ul style="list-style-type: none"> <li>• Develop written trading rules and limits</li> <li>• Establish procedures and standards</li> <li>• Establish system of controls for transaction approval, scheduling and payment</li> <li>• Minimize manual hand-off and multiple input of transaction information</li> <li>• Standardize software applications as appropriate</li> <li>• Implement cross-functional training</li> <li>• Implement structured area expertise training</li> <li>• Conduct periodic audits</li> </ul>
Regulatory Risk	Market structure and operational risks associated with shifting state and federal regulatory policies, rules and regulations.	<ul style="list-style-type: none"> <li>• Analysis of regulatory, regional and industry trends</li> <li>• Participation in regulatory forums</li> </ul>
Extreme Event Risk	The potential financial risk and or reliability risk created by extreme events such as the 2000-2001 energy crisis and the summer 2020 western heat wave.	<ul style="list-style-type: none"> <li>• Portfolio stress testing</li> <li>• Scenario/sensitivity analysis</li> <li>• Maintain Rate Stabilization Fund</li> </ul>
Legislative Risk	Risks associated with actions by international, federal and state legislative bodies.	<ul style="list-style-type: none"> <li>• Legislative analysis and monitor industry wide initiatives</li> <li>• Advocacy of issues consistent with Board established policies.</li> </ul>

## **PROHIBITED TRANSACTIONS**

SMUD will not engage in the following prohibited transactions:

- Any transaction that is not related to serving load and/or reducing financial exposure;
- Sale of any **uncovered** financial “Put” and/or “Call” options on electric energy, gas, electric transmission or gas pipeline capacity;
- Sale of any other **uncovered** Financial Options;
- Unless adequate credit support is provided, transactions with any counter-party of: (i) longer than one year in duration, with a credit rating less than investment grade; or (ii) one year or less in duration, with a credit rating less than the Standard and Poors equivalent of BB, except for the following transactions with counter-parties having a credit rating equivalent to Standard and Poors B: (a) purchases which are within the next seven days; and (b) sales which are within the current calendar month that do not present at anytime, payment risk to SMUD (i.e., no associated receivable after exercising netting rights which apply offsetting purchases; this transaction restriction does not apply to sales of ancillary services to the California Independent System Operator;
- Any deceptive transactions, including but not limited to transactions that: (i) are intended to manipulate the market; (ii) circumvent market rules; (iii) manipulate market prices; or (iv) inflate volumes traded or available in any region or market; or
- Any transactions prohibited by federal and/or state laws and regulations.

## **AUTHORIZED TRANSACTIONS**

Any transaction or contract entered into by the CEO/GM that is consistent with the Standards and the Delegation of Authority will be deemed authorized and approved by the Board at the time of execution by the CEO/GM or his/her designee.

## **DELEGATION OF AUTHORITY**

Consistent with the Board policies and the Standards, the CEO/GM or his/her designee is delegated the following authority:

**Section 1. Transactional Authority.** To negotiate and execute on behalf of SMUD the types of contracts and transactions listed below, provided that: (i) such agreement(s) do not have a term greater than three (3) years, as measured from the commencement of performance by either party (e.g., the first date of delivery of

electricity, transmission capacity, fuel, or pipeline capacity); (ii) the commencement of performance is no longer than three (3) years from the date of execution; and (iii) the prices paid under such agreements are at or below prevailing market rates for similar products at the time the contract is made.

- \* Purchases, sales and exchanges of electricity, electric capacity and storage, natural gas and clean and emissions-free fuel commodity.
- \* Purchases and sales of transmission capacity.
- \* Purchase and sales of ancillary services including, but not limited to, spinning reserve, non-spinning reserve, and regulation.
- \* Purchase of put and/or call options for electricity and natural gas commodity.
- \* Purchase and sale of natural gas and other fuel pipeline capacity.
- \* Purchase and sale of natural gas and other fuel storage capacity.
- \* Sales of covered call and put options.
- \* Purchase and sale of Renewable Energy Credits evidencing the renewable attribute associated with Renewable Energy.
- \* Contracts for financial fixed-for-floating or floating-for-fixed price swaps, options and other financially settled energy derivative transactions for purposes of hedging and/or mitigating the price risk of: (i) an underlying physical position in electricity, natural gas or other energy used for the production of District electricity matching a retail load obligation; or (ii) embedded in the pricing formula of a Power Purchase and Sale Agreement; or (iii) for purposes of hedging against the potential financial impact of unpredictable weather conditions, such as heat storms in the District's service territory and/or below average precipitation in the District's Upper American River Project.
- \* Purchases and sale of carbon allowances, offsets, and other GHG related products, including both physical and financial transactions.
- \* Purchase and sale of low carbon fuel standard credits.

**Section 2. Public Utility Regulatory Policies Act of 1978 (PURPA) Transactional Authority.** Notwithstanding the three (3) year term limit set forth in Section 1 above, to negotiate and execute on behalf of SMUD purchases for electricity and electric capacity from qualifying facilities for any term provided that: (i) the contract is consistent with federal regulations under PURPA, and ii) the prices paid under such agreements do not exceed SMUD's avoided cost.



**Section 3. Long-term Fuel and Power Transactional Authority.** To negotiate and execute on behalf of SMUD long-term natural gas, clean and emissions-free fuel, and power supply agreements to purchase discounted tax-exempt fuel and power subject to the following parameters: (i) total purchases from all suppliers shall not exceed 80,000 average dekatherms per day for fuel and 500,000 MWh annually for power; (ii) supplier diversification under this authority shall be maintained by requiring no single supplier provides more than 30,000 average dekatherms per day for fuel or 200,000 MWh annually for power; (iii) contract durations shall not exceed thirty years; (iv) prices paid to suppliers must have expected market discounts at least 75 percent as great as otherwise achievable from a SMUD-sponsored pre-paid transaction; and (v) suppliers must have a proven track record in successfully executing similar transactions.

**Section 4. Ancillary Services Transactional Authority.** Notwithstanding the credit support restrictions set forth in “Prohibited Transactions,” to make sales of ancillary services to the California Independent System Operator.

**Section 5. Enabling Agreement Authority.** To negotiate and execute on behalf of SMUD enabling agreements, irrespective of term, including but not limited to the agreements sponsored by the Western Systems Power Pool (“WSPP”), Edison Electric Institute (“EII”), North America Energy Standards Board (“NAESB”), Gas Industry Standards Board (“GISB”), International Swap Dealers Association (“ISDA”) and other prevailing industry form agreements for purposes of facilitating the negotiation of future transactions specified in Section 1, above. An Enabling Agreement does not commit SMUD to any specific transaction; rather it is an agreement setting forth standard terms and conditions (other than terms and conditions for transaction specific agreements, such as, price, quantity, term and delivery point), which will apply to future transactions entered into under the respective Enabling Agreement. All transactions entered into under any Enabling Agreement will be subject to the limits set forth in Section 1, above.

**Section 6. Tariff Related Agreement Authority.** To negotiate and execute on behalf of SMUD transmission, facilities, distribution, generator and scheduling agreements, irrespective of term, pursuant to approved tariffs.

**Section 7. Transmission Planning Agreement Authority.** To negotiate and execute on behalf of SMUD agreements intended to facilitate regional transmission planning, irrespective of term; provided the agreement does not commit SMUD to the development, support for or funding of any particular transmission project or projects.

**Section 8. GHG Market-Based Compliance Program Related Authority.** To transact in, and to negotiate and execute on behalf of SMUD all agreements necessary to participate in, the auctions administered by the California Air Resources Board or successor entity as part of California’s greenhouse gas market-based compliance program.

**Section 9. Advance Funding Authority.** To negotiate and execute on behalf of SMUD revisions to Exhibit C of the Agreement for the Funding of Operation and Maintenance for the Central Valley Project Power Facilities for the purposes of

establishing SMUD's advance funding contribution to the Western Area Power Administration (Western) in an amount no greater than the estimated annual power deliveries from Western.

**Section 10. Purchase, Sale, or Exchange of Air Emission Reduction Credits (ERCs).** To negotiate and execute on behalf of SMUD agreements for the:

- i) Purchase of ERCs (a) that are needed or anticipated to be needed for SMUD operations; (b) that are priced at or below fair market value and (c) that do not exceed \$10 million.
- ii) Sale of ERCs that are (a) are surplus to SMUD's actual or anticipated needs; (b) are for use within the SMUD service territory; (c) are priced at or above fair market value; and (d) do not exceed \$100,000.
- iii) Exchange of ERCs that (a) provide present or future operational flexibility; (b) are of equal or superior quality and value; and (c) do not exceed a fair market value of \$100,000.

**REPORTING**

The CEO/GM will report to the Board of Directors as follows:

**Annually** - Submit a five (5) year commodity budget forecast report.

**Quarterly** - Submit a report to include: (i) a current year commodity budget update; and (ii) a current and next year commodity financial exposure update.

**Quarterly** – Report on any new multi-year contracts entered into under the Delegation of Authority for wholesale energy, fuel and environmental attribute transactions and contracts.

**RESOLUTION NO. 24-09-06**

**WHEREAS**, in December 2023, SMUD issued Request for Qualifications Doc 4338060278 (RFQ) for administration of SMUD's medical benefits plan; and

**WHEREAS**, with the assistance of **Aon Consultants (Aon)**, staff issued the RFQ with extensive pass/fail requirements and received three proposals that qualified for the subsequent Request for Proposal Doc 4338060278 (RFP); and

**WHEREAS**, three proposals were received and evaluated; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** As a result of such evaluation, **United Health Care Insurance Company (United HealthCare)** is hereby determined and declared to be the highest evaluated responsive proposer to provide administration of SMUD's medical benefits plan.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to negotiate and award a contract to **United HealthCare** to provide administration of SMUD's medical benefits plan for an initial three-year period from January 1, 2025, to December 31, 2027, with two optional one-year extensions, for a contract total not-to-exceed amount of \$275 million.

**Section 3.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the

contract; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

Approved: September 19, 2024

INTRODUCED: DIRECTOR KERTH				
SECONDED: DIRECTOR SANBORN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON				X
FISHMAN	X			
KERTH	X			
TAMAYO				X
SANBORN	X			

## 2025 Active Employee Medical Rates

Active Employees	Basic		
Carrier	Employee Only	Employee +1	Employee +Family
United Healthcare Signature Value HMO – High Plan	\$1,260.72	\$2,660.11	\$3,807.36
United Healthcare Signature Value HMO – Low Plan	\$1,133.29	\$2,391.22	\$3,422.59
United Healthcare Signature Alliance HMO – High Plan	\$1,059.73	\$2,236.03	\$3,200.38
United Healthcare Signature Alliance HMO – Low Plan	\$952.62	\$2,010.01	\$2,876.94
United Healthcare High Deductible Health Plan	\$982.76	\$2,073.63	\$2,967.93
United Healthcare PPO Plan	\$1,899.89	\$4,008.77	\$5,737.67

## 2025 Retiree Medical Rates

Retiree	Basic			Medicare	
Carrier	Retiree Only	Retiree +1	Retiree +1 Family	Retiree	Retiree+1
United Healthcare Signature Value HMO	\$1260.72	\$2260.11	\$3807.36	N/A	N/A
United Healthcare Signature Alliance HMO	\$1059.73	\$2236.03	\$3200.39	N/A	N/A
United Healthcare PPO - In CA	\$1,767.47	\$3729.36	\$5337.75	N/A	N/A
United Healthcare PPO - Out Of CA	\$1,767.47	\$3729.36	\$5337.75	N/A	N/A
United Healthcare Medicare Advantage	N/A	N/A	N/A	\$447.08	\$894.16

**RESOLUTION NO. 24-09-07**

**WHEREAS**, by Resolution No. 11-09-03, adopted September 1, 2011, this Board authorized a contract with **Kaiser Permanente (Kaiser)** to provide medical benefits for the year 2012 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 12-09-03, adopted September 6, 2012, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2013 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 13-09-04, adopted September 5, 2013, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2014 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 14-08-09, adopted August 21, 2014, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2015 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 15-09-04, adopted September 3, 2015, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2016 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 16-10-03, adopted October 6, 2016, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2017 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 17-09-04, adopted September 21, 2017, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2018 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 18-07-04, adopted July 19, 2018, this Board authorized an extension of the **Kaiser** contract to provide medical

benefits for the year 2019 to SMUD employees, retirees and eligible dependents;  
and

**WHEREAS**, by Resolution No. 19-10-07, adopted October 17, 2019, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2020 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 20-09-06, adopted September 17, 2020, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2021 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 21-10-07, adopted October 21, 2021, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2022 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 22-10-14, adopted October 20, 2022, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2023 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 23-09-08, adopted September 21, 2023, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2024 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, it would be in SMUD's best interest to extend the medical benefit contract with **Kaiser** and approve the 2025 premiums through December 31, 2025, because of their distinctive services and relatively lower cost compared to other health plans; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of the SMUD, to approve 2025 medical insurance rates and extend Contract No. 4500043215 with **Kaiser Permanente** by one year, for the period January 1, 2025, through December 31, 2025, with

the 2025 cost estimated at \$34.5 million pursuant to the premiums set forth in **Attachment E** hereto and made a part hereof.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the contract; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

Approved: September 19, 2024

INTRODUCED: DIRECTOR KERTH				
SECONDED: DIRECTOR SANBORN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON				X
FISHMAN	X			
KERTH	X			
TAMAYO				X
SANBORN	X			



## 2025 Active Employee Medical Rates

Active Employees	Basic		
Carrier	Employee Only	Employee +1	Employee +Family
Kaiser HMO – High Plan	\$894.49	\$1,788.98	\$2,683.47
Kaiser HMO – Low Plan	\$847.90	\$1,695.80	\$2,543.70

## 2025 Retiree Medical Rates

Retiree	Basic			Medicare	
Carrier	Retiree Only	Retiree +1	Retiree +1 Family	Retiree	Retiree+1
Kaiser HMO	\$872.73	\$1785.46	\$2678.19	\$308.25	\$616.51
Kaiser Medicare Unassigned*	N/A	N/A	N/A	\$1864.16	\$3728.32
Kaiser Medicare Part A only**	N/A	N/A	N/A	\$1453.51	\$2907.02

\*Age 65+ retiree - not enrolled in Medicare - transitional plan

\*\* Have Medicare Part A due to disability but not enrolled in Medicare Part B due to age (under 65)

**RESOLUTION NO. 24-09-08**

**WHEREAS**, Government Code section 6500 et seq. (“Joint Exercise of Powers Act”) permits two or more public agencies by agreement to jointly exercise powers common to them; and

**WHEREAS**, public entities formed the **Public Risk Innovation, Solutions, and Management (PRISM)** pursuant to the Joint Exercise of Powers Act for the purpose of jointly funding and/or establishing excess and other insurance programs; and

**WHEREAS, PRISM** offers its insurance programs only to its members; and

**WHEREAS, Sacramento Municipal Utility District (SMUD)** desires to become a member of **PRISM** in order to participate in its employee benefit and other insurance programs; and

**WHEREAS, PRISM** requires each of its members to delegate to a person or position the authority to act on the member’s behalf in matters relating to **PRISM**; and

**WHEREAS**, it is in **SMUD’s** interest to place and cancel insurance policies through **PRISM** on an ongoing basis; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** That this Board approves **Sacramento Municipal Utility District (SMUD)** becoming a member of **Public Risk Innovation, Solutions, and Management (PRISM)**.

**Section 2.** This Board further authorizes the Chief Executive Officer and General Manager (CEO/GM), or his delegate, to execute the **Joint Powers Agreement** between **SMUD** and **PRISM (PRISM JPA)**, substantially in the form of **Attachment F**, and all other agreements and documents necessary to enter, carry out, and retain its membership in **PRISM** and/or the **PRISM JPA**, except those actions that must be approved by the Board.

**Section 3.** The Board further authorizes the CEO/GM, on behalf of **SMUD**, to place and cancel employee benefits and other insurance policies or contracts with **PRISM** in an amount not to exceed \$3 million per policy or contract

in support of SMUD's current and future employee benefits and other insurance needs, and to execute all agreements and documents necessary in connection therewith.

Approved: September 19, 2024

INTRODUCED: DIRECTOR KERTH				
SECONDED: DIRECTOR SANBORN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON				X
FISHMAN	X			
KERTH	X			
TAMAYO				X
SANBORN	X			

JPA, PRISM

Amended: June 30, 2020



Adopted: October 5, 1979  
Amended: May 12, 1980  
Amended: January 23, 1987  
Amended: October 7, 1988  
Amended: March 1993  
Amended: November 18, 1996  
Amended: October 4, 2005  
Amended: February 28, 2006  
Amended: June 30, 2020

**JOINT POWERS AGREEMENT  
PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT**

This Agreement is executed in the State of California by and among those counties and public entities organized and existing under the Constitution of the State of California, which are parties signatory to this Agreement. Public Risk Innovation, Solutions, and Management (referred to herein as PRISM), formerly known as CSAC Excess Insurance Authority, was formed under the sponsorship of CSAC. California counties, hereinafter called member counties, and public entities, hereinafter called member public entities, (collectively "members") shall be listed in Appendix A, which shall be attached hereto and made a part hereof.

**RECITALS**

**WHEREAS**, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

**WHEREAS**, Article 16, Section 6 of the California Constitution provides that insurance pooling arrangements under joint exercise of power agreements shall not be considered the giving or lending of credit as prohibited therein; and

**WHEREAS**, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

**WHEREAS**, pursuant to California Government Code Section 990.6, the cost of insurance provided by a local public entity is a proper charge against the local public entity; and

**WHEREAS**, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4 and such pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code; and

**WHEREAS**, the counties and public entities executing this Agreement desire to join together for the purpose of jointly funding and/or establishing excess and other insurance programs as determined;

**NOW THEREFORE**, the parties agree as follows:

**ARTICLE 1  
DEFINITIONS**

**"CSAC"** shall mean the County Supervisors Association of California, dba California State Association of Counties.

**"Board of Directors"** or **"Board"** shall mean the governing body of PRISM.

**"Claim"** shall mean a claim made against a member arising out of an occurrence, which is covered by an excess or primary insurance program of PRISM in which the member is a participant.

**"Executive Committee"** shall mean the Executive Committee of the Board of Directors of PRISM.

**"Fiscal year"** shall mean that period of twelve months which is established by the Board of Directors as the fiscal year of PRISM.

**"Government Code"** shall mean the California Government Code.

**"Insurance program"** or **"program"** shall mean a program which has been designated as a major program of PRISM under which participating members are protected against designated losses, either through joint purchase of primary or excess insurance, pooling of self-insured claims or losses, purchased insurance or any other combination as determined by the Board of Directors. The Board of Directors, the Executive Committee, or a program's governing committee may determine applicable criteria for determining eligibility in any insurance program, as well as establishing program policies and procedures.

**"Joint powers law"** shall mean Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code.

**"Loss"** shall mean a liability or potential liability of a member, including litigation expenses, attorneys' fees and other costs, which is covered by an insurance program of PRISM in which the member is a participant.

**"Member county"** shall mean any county in the State of California which has executed this Agreement and become a member of PRISM. "Member County" shall also include those entities or other bodies set forth in Article 3 (c).

**"Member Public Entity"** shall mean any California public entity, which is not a California county, which has executed this Agreement, and become a member of PRISM, "Member Public Entity" shall also include those entities or other bodies set forth in Article 3(c).

**"Miscellaneous Program"** is an insurance program of PRISM that does not involve pooling of self-insured claims or losses and may be made available to members as well as non-member public entities that are not a party to this Agreement.

**"Occurrence"** shall mean an event which is more fully defined in the memorandums of coverage and/or policies of an insurance program in which the participating county or participating public entity is a member.

**"Participating county"** shall mean any member county which has entered into a program offered by PRISM pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

**"Participating public entity"** shall mean any member public entity which has entered into a program offered by PRISM pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

**"Self-insured retention"** shall mean that portion of a loss resulting from an occurrence experienced by a member, which is retained as a liability or potential liability of the member and is not subject to payment by PRISM.

**"Reinsurance"** shall mean insurance purchased by PRISM as part of an insurance program to cover that portion of any loss, which exceeds the joint funding capacity of that program.

## **ARTICLE 2 PURPOSES**

This Agreement is entered into by the member counties and member public entities in order to jointly develop and fund insurance programs as determined. Such programs may include, but are not limited to, the creation of joint insurance funds, including primary and excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services.

## **ARTICLE 3 PARTIES TO AGREEMENT**

- (a) There shall be two classes of membership of the parties pursuant to this Agreement consisting of one class designated as Member Counties and another class designated as Member Public Entities.
- (b) Each member county and member public entity, as a party to this Agreement, certifies that it intends to and does contract with all other members as parties to this Agreement and, with such other members as may later be added as parties to this Agreement pursuant to Article 19 as to all programs of which it is a participating member. Each member also certifies that the removal of any party from this Agreement, pursuant to Articles 20 or 21, shall not affect this Agreement or the member's obligations hereunder.
- (c) A member for purposes of providing insurance coverage under any program of PRISM, may contract on behalf of, and shall be deemed to include:
  - Any public entity as defined in Government Code § 811.2 which the member requests to be added and from the time that such request is approved by the Executive Committee of PRISM.
  - Any nonprofit entity, including a nonprofit public benefit corporation formed pursuant to Corporations Code §§ 5111, 5120 and, 5065, which the member requests to be added and from the time that such request is approved by the Executive Committee.
- (d) Any public entity or nonprofit so added shall be subject to and included under the member's SIR or deductible, and when so added, may be subject to such other terms and conditions as determined by the Executive Committee.
- (e) Such public entity or nonprofit shall not be considered a separate party to this Agreement. Any public entity or nonprofit so added, shall not affect the member's representation on the Board of Directors and shall be considered part of and represented by the member for all purposes under this Agreement.
- (f) The Executive Committee shall establish guidelines for approval of any public entity or nonprofit so added in accordance with Article 3(c) and (d).
- (g) Should any conflict arise between the provisions of this Article and any applicable Memorandum of Coverage or other document evidencing coverage, such Memorandum of Coverage or other document evidencing coverage shall prevail.

## **ARTICLE 4 TERM**

This Agreement shall continue in effect until terminated as provided herein.

**ARTICLE 5  
CREATION OF PRISM**

Pursuant to the joint powers law, there is hereby created a public entity separate and apart from the parties hereto, to be known as Public Risk Innovation, Solutions, and Management ("PRISM"), with such powers as are hereinafter set forth.

**ARTICLE 6  
POWERS OF PRISM**

PRISM shall have all of the powers common to General Law counties in California, such as Alpine County and all additional powers set forth in the joint powers law, and is hereby authorized to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following:

- (a) To make and enter into contracts.
- (b) To incur debts, liabilities, and obligations.
- (c) To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
- (d) To sue and be sued in its own name, and to settle any claim against it.
- (e) To receive and use contributions and advances from members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment, or property.
- (f) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- (g) To allow non-member public entities and non-member counties to participate in Miscellaneous Programs and for risk management services to be provided to non-member counties and non-member public entities including out-of-state participants in a PRISM program.
- (h) To carry out all provisions of this Agreement.

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

**ARTICLE 7  
BOARD OF DIRECTORS**

PRISM shall be governed by the Board of Directors, which shall be composed as follows:

- (a) One director from each member county, appointed by the member county board of supervisors and serving at the pleasure of that body. Each member county board of supervisors shall also appoint an alternate director who shall have the authority to attend, participate in and vote at any meeting of the Board of Directors when the director is absent. A director or alternate director shall be a county supervisor, other county official, or staff person of the member county, and upon termination of office or employment with the county, shall automatically terminate membership or alternate membership on the Board of Directors.
- (b) Ten directors consisting of seven directors and three alternate directors chosen in the manner specified in the Bylaws from those participating as public entity members. A director or alternate public entity director shall be an official, or staff person of the public

entity member, and upon termination of office or employment with the public entity, shall automatically terminate membership or alternate membership on the Board of Directors.

- (c) Member county directors shall consist of a minimum of 80% of the eligible voting members on the Board of Directors. The public entity member directors shall be reduced accordingly to ensure at least 80% of the Board of Directors consists of county director members (By way of example, if the number of county members is reduced from the current 54 by member withdrawals to a level of 28, then county members would be at the 80% level, 28/35. If the county members go to 27, then the public entity members would lose one seat and would only have 6 votes).

Any vacancy in a county director or alternate director position shall be filled by the appointing county's board of supervisors, subject to the Provisions of this Article. Any vacancy in a public entity director position shall be filled by vote of the public entity members.

A majority of the membership of the Board of Directors shall constitute a quorum for the transaction of business. Each member of the Board of Directors shall have one vote. Except as otherwise provided in this Agreement or any other duly executed agreement of the members, all actions of the Board of Directors shall require the affirmative vote of a majority of the members; provided, that any action which is restricted in effect to one of PRISM's insurance programs, shall require the affirmative vote of a majority of those Board of Directors members who represent counties and public entities participating in that program. For purposes of an insurance program vote, to the extent there are public entity members participating in a program, the public entity Board of Directors members as a whole shall have a minimum of one vote. The public entity Board of Directors members may in no event cast more votes than would constitute 20% of the number of total county members in that program (subject to the one vote minimum). Should the number of public entity Board of Directors votes authorized herein be less than the number of public entity Board of Directors members at a duly noticed meeting, the public entity Board of Directors members shall decide among themselves, which Board of Directors member shall vote. Should they be unable to decide, the President of PRISM shall determine which director(s) shall vote.

## **ARTICLE 8 POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors shall have the following powers and functions:

- (a) The Board of Directors shall exercise all powers and conduct all business of PRISM, either directly or by delegation to other bodies or persons unless otherwise prohibited by this Agreement, or any other duly executed agreement of the members or by law.
- (b) The Board of Directors may adopt such resolutions as deemed necessary in the exercise of those powers and duties set forth herein.
- (c) The Board of Directors shall form an Executive Committee, as provided in Article 11. The Board of Directors may delegate to the Executive Committee and the Executive Committee may discharge any powers or duties of the Board of Directors except adoption of PRISM's annual budget. The powers and duties so delegated shall be specified in resolutions adopted by the Board.
- (d) The Board of Directors may form, as provided in Article 12, such other committees as it deems appropriate to conduct the business of PRISM. The membership of any such other committee may consist in whole or in part of persons who are not members of the Board of Directors.



- (e) The Board of Directors shall elect the officers of PRISM and shall appoint or employ necessary staff in accordance with Article 13.
- (f) The Board of Directors shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of PRISM. Adoption of the budget may not be delegated.
- (g) The Board of Directors shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each insurance program of PRISM, including all provisions for reinsurance and administrative services necessary to carry out such program.
- (h) The Board of Directors, directly or through the Executive Committee, shall provide for necessary services to PRISM and to members, by contract or otherwise, which may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal services.
- (i) The Board of Directors shall provide general supervision and policy direction to the Chief Executive Officer.
- (j) The Board of Directors shall receive and act upon reports of the committees and the Chief Executive Officer.
- (k) The Board of Directors shall act upon each claim involving liability of PRISM, directly or by delegation of authority to the Executive Committee or other committee, body or person, provided, that the Board of Directors shall establish monetary limits upon any delegation of claims settlement authority, beyond which a proposed settlement must be referred to the Board of Directors for approval.
- (l) The Board of Directors may require that PRISM review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any member, insofar as those functions affect the liability or potential liability of PRISM. The Board of Directors may forward any or all such recommendations to the member with a request for compliance and a statement of potential consequences for noncompliance.
- (m) The Board of Directors shall receive, review and act upon periodic reports and audits of the funds of PRISM, as required under Articles 15 and 16 of this Agreement.
- (n) The Board of Directors may, upon consultation with a casualty actuary, declare that any funds established for any program has a surplus of funds and determine a formula to return such surplus to the participating counties and participating public entities, which have contributed, to such fund.
- (o) The Board of Directors shall have such other powers and duties as are reasonably necessary to carry out the purposes of PRISM.

**ARTICLE 9  
MEETINGS OF THE BOARD OF DIRECTORS**

- (a) The Board of Directors shall hold at least one regular meeting each year and shall provide for such other regular meetings and for such special meetings as it deems necessary.
- (b) The Chief Executive Officer of PRISM shall provide for the keeping of minutes of regular and special meetings of the Board of Directors, and shall provide a copy of the minutes to each member of the Board of Directors at the next scheduled meeting.
- (c) All meetings of the Board of Directors, the Executive Committee and such committees as established by the Board of Directors pursuant to Article 12 herein, shall be called,

noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

#### **ARTICLE 10 OFFICERS**

The Board of Directors shall elect from its membership a President and Vice President of the Board, to serve for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board of Directors and shall chair the Executive Committee.

#### **ARTICLE 11 EXECUTIVE COMMITTEE**

The Board of Directors shall establish an Executive Committee of the Board of Directors, which shall consist of eleven members: the President and Vice President of the Board of Directors, and nine members elected by the Board of Directors from its membership.

The terms of office of the nine non-officer members shall be as provided in the Bylaws of PRISM.

The Executive Committee shall conduct the business of PRISM between meetings of the Board of Directors, exercising all those powers as provided for in Article 8, or as otherwise delegated to it by the Board.

#### **ARTICLE 12 COMMITTEES**

The Board of Directors may establish committees, as it deems appropriate to conduct the business of PRISM. Members of the committees shall be appointed by the Board of Directors, to serve two year terms, subject to reappointment by the Board of Directors. The members of each committee shall annually select one of their members to chair the Committee.

Each committee shall be composed of at least five members and shall have those duties as determined by the Board of Directors, or as otherwise set forth in the Bylaws.

Each committee shall meet on the call of its chair, and shall report to the Executive Committee and the Board of Directors as directed by the Board of Directors.

#### **ARTICLE 13 STAFF**

- (a) **Principal Staff.** The **Chief Executive Officer** shall be appointed by and serve at the pleasure of the Board of Directors. The Chief Executive Officer shall serve as the Board Secretary and administer the business and activities of PRISM, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of PRISM and shall perform such other duties as are assigned by the Board and Executive Committee.
- (b) **Treasurer and Auditor.** Pursuant to Government Code Section 6505.6, the Chief Financial Officer shall serve as the Treasurer/Auditor. The duties of the Treasurer are set forth in Article 16 of this Agreement. The Chief Financial Officer shall draw warrants to pay demands against PRISM. The Chief Financial Officer shall comply with the provisions of Government Code Section 6505.5 (a-d) and shall be appointed by and serve at the pleasure of the Chief Executive Officer.
- (c) **Other Staff.** The Board of Directors, Executive Committee or Chief Executive Officer shall provide for the appointment of such other staff as may be necessary for the administration of PRISM.

**ARTICLE 14  
DEVELOPMENT, FUNDING AND IMPLEMENTATION  
OF INSURANCE PROGRAMS**

- (a) **Program Coverage.** Insurance programs of PRISM may provide coverage, including excess insurance coverage for:
- (1) Workers' compensation;
  - (2) Comprehensive liability, including but not limited to general, personal injury, contractual, public officials errors and omissions, and incidental malpractice liability;
  - (3) Comprehensive automobile liability;
  - (4) Hospital malpractice liability;
  - (5) Property and related programs;

and may provide any other coverages authorized by the Board of Directors. The Board of Directors shall determine, for each such program, a minimum number of participants required for program implementation and may develop specific program coverages requiring detailed agreements for implementation of the above programs.

- (b) **Program and PRISM Funding.** The members developing or participating in an insurance program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting PRISM, hereinafter called PRISM general expenses, shall be equitably allocated among the various programs by the Board of Directors, and shall be funded by the members developing or participating in such programs in accordance with such allocations, as hereinafter provided. In addition, the Board of Directors may, in its discretion, allocate a share of such PRISM general expense to those members, which are not developing or participating in any program, and require those counties and public entities to fund such share through a prescribed charge.

- (1) **Annual Premium.** Except as provided in (2) below, all post-development costs of an insurance program shall be funded by annual premiums charged to the members participating in the program each policy year, and by interest earnings on the funds so accumulated. Such premiums shall be determined by the Board of Directors or the program's governing committee upon the basis of a cost allocation plan and rating formula developed by PRISM with the assistance of a casualty actuary, risk management consultant, or other qualified person. The premium for each participating member shall include that participant's share of expected program losses including a margin for contingencies as determined by the Board of Directors, program reinsurance costs, and program administrative costs for the year, plus that participant's share of PRISM general expense allocated to the program by the Board of Directors.

- (2) **Premium Surcharge**
  - (i) If PRISM experiences an unusually large number of losses under a program during a policy year, such that notwithstanding reinsurance coverage for large individual losses, the joint insurance funds for the program may be exhausted before the next annual premiums are due, the Board of Directors or the program's governing committee may, upon consultation with a casualty actuary, impose premium surcharges on all participating members; or

- (ii) If it is determined by the Board of Directors or the program's governing committee, upon consultation with a casualty actuary, that the joint insurance funds for a program are insufficient to pay losses, fund known estimated losses, and fund estimated losses, which have been incurred but not reported, the Board of Directors or the program's governing committee may impose a surcharge on all participating members.
- (iii) Premium surcharges imposed pursuant to (i) and/or (ii) above shall be in an amount which will assure adequate funds for the program to be actuarially sound; provided that the surcharge to any participating member shall not exceed an amount equal to three (3) times the member's annual premium for that year, unless otherwise determined by the Board of Directors or the program's governing committee.

Provided, however, that no premium surcharge in excess of three times the member's annual premium for that year may be assessed unless, ninety days prior to the Board of Directors taking action to determine the amount of the surcharge, PRISM notifies the governing body of each participating member in writing of its recommendations regarding its intent to assess a premium surcharge and the amount recommended to be assessed each member. PRISM shall, concurrently with the written notification, provide each participating member with a copy of the actuarial study upon which the recommended premium surcharge is based.

- (iv) A member which is no longer a participating member at the time the premium surcharge is assessed, but which was a participating member during the policy year(s) for which the premium surcharge was assessed, shall pay such premium surcharges as it would have otherwise been assessed in accordance with the provisions of (i), (ii), and (iii) above.
- (c) **Program Implementation and Effective Date.** Upon establishment of an insurance program by the Board of Directors, PRISM shall determine the manner of program implementation and shall give written notice to all members of such program, which shall include, but not be limited to: program participation levels, coverages and terms of coverage of the program, estimates of first year premium charges, effective date of the program (or estimated effective date) and such other program provisions as deemed appropriate.
  - (d) **Late Entry Into Program.** A member which does not elect to enter an insurance program upon its implementation, pursuant to (c) above, or a county or public entity which becomes a party to this Agreement following implementation of the program, may petition the Board of Directors for late entry into the program. Such request may be granted upon a majority vote of the Board of Directors members, plus a majority vote of those board members who represent participants in the program. Alternatively, a county or public entity may petition the Executive Committee for late entry into the program, or a program committee, when authorized by an MOU governing that specific program, may approve late entry into that program. Such request may be granted upon a majority vote of the Executive Committee or program committee.
  - (e) **Reentry Into A Program.** Except as otherwise provided in a Program Memorandum of Understanding, any county or public entity that is a member of an insurance program of PRISM who withdraws or is cancelled from an insurance program under Articles 21 and 22, may not reenter such insurance program for a period of three years from the effective date of withdrawal or cancellation.

**ARTICLE 15  
ACCOUNTS AND RECORDS**

- (a) **Annual Budget.** PRISM shall annually adopt an operating budget pursuant to Article 8 of this Agreement, which shall include a separate budget for each insurance program under development or adopted and implemented by PRISM.
- (b) **Funds and Accounts.** The Auditor of PRISM shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board of Directors. Separate accounts shall be established and maintained for each insurance program under development or adopted and implemented by PRISM. Books and records of PRISM in the hands of the Auditor shall be open to inspection at all reasonable times by authorized representatives of members.
- PRISM shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.
- (c) **Auditor's Report.** The Auditor, within one hundred and eighty (180) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each member.
- (d) **Annual Audit.** Pursuant to Government Code Section 6505, PRISM shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of PRISM, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with each of the members and also with the county auditor of the county where the home office of PRISM is located and shall be sent to any public agency or person in California that submits a written request to PRISM. The report shall be filed within six months of the end of the fiscal year or years under examination. Costs of the audit shall be considered a general expense of PRISM.

**ARTICLE 16  
RESPONSIBILITIES FOR FUNDS AND PROPERTY**

- (a) The Treasurer shall have the custody of and disburse PRISM's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.
- (b) Pursuant to Government Code Section 6505.6, the Treasurer shall:
- (1) Receive and acknowledge receipt for all funds of PRISM and place them in the treasury of the Treasurer to the credit of PRISM.
  - (2) Be responsible upon his or her official bond for the safekeeping and disbursements of all PRISM funds so held by him or her.
  - (3) Pay any sums due from PRISM, as approved for payment by the Board of Directors or by any body or person to whom the Board of Directors has delegated approval authority, making such payments from PRISM funds upon warrants drawn by the Auditor.
- (c) Pursuant to Government Code Section 6505.1, the Chief Executive Officer, the Treasurer, and such other persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of PRISM.
- (d) PRISM shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and staff of PRISM, and all officers and staff who are authorized to have charge of, handle, and have access to property of PRISM.

**ARTICLE 17  
RESPONSIBILITIES OF MEMBERS**

Members shall have the following responsibilities under this Agreement.

- (a) The board of supervisors of each member county shall appoint a representative and one alternate representative to the Board of Directors, pursuant to Article 7.
- (b) Each member shall appoint an officer or employee of the member to be responsible for the risk management function for that member and to serve as a liaison between the member and PRISM for all matters relating to risk management.
- (c) Each member shall maintain an active risk control program, and shall consider and act upon all recommendations of PRISM concerning the reduction of unsafe practices.
- (d) Each member shall maintain its own claims and loss records in each category of liability covered by an insurance program of PRISM in which the member is a participant, and shall provide copies of such records to PRISM as directed by the Board of Directors or Executive Committee, or to such other committee as directed by the Board of Directors or Executive Committee.
- (e) Each member shall pay premiums and premium surcharges due to PRISM as required under Article 14. Penalties for late payment of such premiums and/or premium surcharges shall be as determined and assessed by the Board of Directors. After withdrawal, cancellation, or termination action under Articles 20, 21, or 23, each member shall pay promptly to PRISM any additional premiums due, as determined and assessed by the Board of Directors under Articles 22 or 23. Any costs incurred by PRISM associated with the collection of such premiums or other charges, shall be recoverable by PRISM.
- (f) Each member shall provide PRISM such other information or assistance as may be necessary for PRISM to develop and implement insurance programs under this Agreement.
- (g) Each member shall cooperate with and assist PRISM, and any insurer of PRISM, in all matters relating to this Agreement, and shall comply with all Bylaws, and other rules by the Board of Directors.
- (h) Each member shall have such other responsibilities as are provided elsewhere in this Agreement, and as are established by the Board of Directors in order to carry out the purposes of this Agreement.

**ARTICLE 18  
ADMINISTRATION OF CLAIMS**

- (a) Subject to subparagraph (e), each member shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the member arising out of a loss.
- (b) PRISM may develop standards for the administration of claims for each insurance program of PRISM so as to permit oversight of the administration of claims by the members.
- (c) Each participating member shall give PRISM timely written notice of claims in accordance with the provisions of the Bylaws and the applicable program Memorandum of Coverage.

- (d) A member shall not enter into any settlement involving liability of PRISM without the advance written consent of PRISM.
- (e) PRISM, at its own election and expense, shall have the right to participate with a member in the settlement, defense, or appeal of any claim, suit or proceeding, which, in the judgment of PRISM, may involve liability of PRISM.

#### **ARTICLE 19 NEW MEMBERS**

Any California public entity may become a party to this Agreement and participate in any insurance program in which it is not presently participating upon approval of the Board of Directors, by a majority vote of the members, or by majority vote of the Executive Committee.

#### **ARTICLE 20 WITHDRAWAL**

- (a) A member may withdraw as a party to this Agreement upon thirty (30) days advance written notice to PRISM if it has never become a participant in any insurance program pursuant to Article 14, or if it has previously withdrawn from all insurance programs in which it was a participant.
- (b) After becoming a participant in an insurance program, a member may withdraw from that program only at the end of a policy year for the program, and only if it gives PRISM at least sixty (60) days advance written notice of such action.

#### **ARTICLE 21 CANCELLATION**

- (a) Notwithstanding the provisions of Article 20, the Board of Directors may:
  - (1) Cancel any member from this Agreement and membership in PRISM, on a majority vote of the Board of Directors members. Such action shall have the effect of canceling the member's participation in all insurance programs of PRISM as of the date that all membership is canceled.
  - (2) Cancel any member's participation in an insurance program of PRISM, without canceling the member's membership in PRISM or participation in other programs, on a vote of two-thirds of the Board of Directors members present and voting who represent participants in the program.

The Board of Directors shall give sixty (60) days advance written notice of the effective date of any cancellation under the foregoing provisions. Upon such effective date, the member shall be treated the same as if it had voluntarily withdrawn from this Agreement, or from the insurance program, as the case may be.

- (b) Except as otherwise provided in a program Memorandum of Understanding, a member that does not enter one or more of the insurance programs developed and implemented by PRISM within the member's first year as a member of PRISM shall be considered to have withdrawn as a party to this Agreement at the end of such period, and its membership in PRISM shall be automatically canceled as of that time, without action of the Board of Directors.
- (c) A member which withdraws from all insurance programs of PRISM in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn as a party to the Agreement at the end of such period, and its membership in PRISM shall be automatically canceled as of that time, without action of the Board of Directors.

**ARTICLE 22**  
**EFFECT OF WITHDRAWAL OR CANCELLATION**

- (a) If a member's participation in an insurance program of PRISM is canceled under Article 21, with or without cancellation of membership in PRISM, and such cancellation is effective before the end of the policy year for that program, PRISM shall promptly determine and return to that member the amount of any unearned premium payment from the member for the policy year, such amount to be computed on a pro-rata basis from the effective date of cancellation.
- (b) Except as provided in (a) above or as otherwise provided in a program Memorandum of Understanding, a member which withdraws or is canceled from this Agreement and membership in PRISM, or from any program of PRISM, shall not be entitled to the return of any premium or other payment to PRISM, or of any property contributed to PRISM. However, in the event of termination of this Agreement, such member may share in the distribution of assets of PRISM to the extent provided in Article 23 provided; however, that any withdrawn or canceled member, which has been assessed a premium surcharge pursuant to Article 14 (b) (3) (ii) shall be entitled to return of said member's unused surcharge, plus interest accrued thereon, at such time as the Board of Directors declares that a surplus exists in any insurance fund for which a premium surcharge was assessed.
- (c) Except as provided in (d) below, a member shall pay any premium charges, which the Board of Directors determines are due from the member for losses and costs incurred during the entire coverage year in which the member was a participant in such program regardless of the date of entry into such program. Such charges may include any deficiency in a premium previously paid by the member, as determined by audit under Article 14 (b) (2); any premium surcharge assessed to the member under Article 14 (b) (3); and any additional amount of premium, which the Board of Directors determines to be due from the member upon final disposition of all claims arising from losses under the program during the entire coverage year in which the member was a participant regardless of date of entry into such program. Any such premium charges shall be payable by the member in accordance with PRISM's invoice and payment policy.
- (d) Those members that have withdrawn or been canceled pursuant to Articles 20 and 21 from any program of PRISM during a coverage year shall pay any premium charges which the Board of Directors determines are due from the members for losses and costs which were incurred during the member's participation in any program.

**ARTICLE 23**  
**TERMINATION AND DISTRIBUTION OF ASSETS**

- (a) A three-fourths vote of the total voting membership of PRISM, consisting of member counties, acting through their boards of supervisors, and the voting Board of Directors members from the member public entities, is required to terminate this Agreement; provided; however, that this Agreement and PRISM shall continue to exist after such election for the purpose of disposing of all claims, distributing all assets, and performing all other functions necessary to conclude the affairs of PRISM.
- (b) Upon termination of this Agreement, all assets of PRISM in each insurance program shall be distributed among those members which participated in that program in proportion to their cash contributions, including premiums paid and property contributed (at market value when contributed). The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the program.
- (c) Following termination of this Agreement, any member which was a participant in an insurance program of PRISM shall pay any additional amount of premium, determined by the Board of Directors in accordance with a loss allocation formula, which may be



necessary to enable final disposition of all claims arising from losses under that program during the entire coverage year in which the member was a participant regardless of the date of entry into such program.

**ARTICLE 24**  
**LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS**  
**AND LEGAL ADVISORS**

The members of the Board of Directors, Officers, committee members and legal advisors to any Board of Directors or committees of PRISM shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of PRISM funds, or failure to invest.

No Director, Officer, committee member, or legal advisor to any Board of Directors or committee shall be responsible for any action taken or omitted by any other Director, Officer, committee member, or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of PRISM shall be used to defend, indemnify and hold harmless PRISM and any Director, Officer, committee member or legal advisor to any committee for their actions taken within the scope of the authority of PRISM. Nothing herein shall limit the right of PRISM to purchase insurance to provide such coverage, as is hereinabove set forth.

**ARTICLE 25**  
**BYLAWS**

The Board of Directors may adopt Bylaws consistent with this Agreement, which shall provide for the administration and management of PRISM.

**ARTICLE 26**  
**NOTICES**

PRISM shall address notices, billings and other communications to a member as directed by the member. Each member shall provide PRISM with the address to which communications are to be sent. Members shall address notices and other communications to PRISM to the Chief Executive Officer of PRISM, at the office address of PRISM as set forth in the Bylaws.

**ARTICLE 27**  
**AMENDMENT**

A two-thirds vote of the total voting membership of PRISM, consisting of member counties, acting through their boards of supervisors, and the voting Board of Directors members from member public entities, is required to amend this Agreement. However, the Executive Committee is authorized to make non-substantive, clerical amendments to the Agreement and does not need to obtain approval from the Board of Directors to make such amendments.

**ARTICLE 28**  
**EFFECTIVE DATE OF AMENDMENTS**

Any amendment of this Agreement shall become effective upon the date specified by the Board of Directors and upon approval of any Amended Agreement as required in Article 27. Approval of any amendment by the voting boards of supervisors and public entity board members must take place no later than 30 days from the effective date specified by the Board of Directors.

**ARTICLE 29  
PROHIBITION AGAINST ASSIGNMENT**

No member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, fund, premium or asset of PRISM.

**ARTICLE 30  
AGREEMENT COMPLETE**

This Agreement constitutes the full and complete Agreement of the parties.

**ARTICLE 31  
DISPUTE RESOLUTION**

When a dispute arises between PRISM and a member, the following procedures are to be followed:

- (a) Request for Reconsideration. The member will make a written request to PRISM for the appropriate Committee to reconsider their position, citing the arguments in favor of the member and any applicable case law that applies. The member can also, request a personal presentation to that Committee, if it so desires.
- (b) Committee Appeal. The committee responsible for the program or having jurisdiction over the decision in question will review the matter and reconsider PRISM's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the committee having jurisdiction, that committee member shall be deemed to have a conflict and shall be excluded from any vote.
- (c) Executive Committee Appeal. If the member is not satisfied with the outcome of the committee appeal, the matter will be brought to the Executive Committee for reconsideration upon request of the member. If the member requesting reconsideration is represented on the Executive Committee, that Executive Committee member shall be deemed to have a conflict and shall be excluded from any vote.
- (d) Arbitration. If the member is not satisfied with the outcome of the Executive Committee appeal, the next step in the appeal process is arbitration. The arbitration, whether binding or non-binding, is to be mutually agreed upon by the parties. The matter will be submitted to a mutually agreed arbitrator or panel of arbitrators for a determination. If Binding Arbitration is selected, then the decision of the arbitrator is final. Both sides agree to abide by the decision of the arbitrator. The cost of arbitration will be shared equally by the involved member and PRISM.
- (e) Litigation. If, after following the dispute resolution procedure paragraphs a-d, either party is not satisfied with the outcome of the non-binding arbitration process, either party may consider litigation as a possible remedy to the dispute.

**ARTICLE 32  
FILING WITH SECRETARY OF STATE**

The Chief Executive Officer of PRISM shall file a notice of this Agreement with the office of California Secretary of State within 30 days of its effective date, as required by Government Code Section 6503.5 and within 70 days of its effective date as required by Government Code Section 53051.

**IN WITNESS WHEREOF**, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: \_\_\_\_\_

MEMBER: \_\_\_\_\_  
(Print Name of Member)

BY: \_\_\_\_\_  
(Authorized signature of Member)

Seal:

President Herber then called for public comment items not on the agenda.

Public comment, a copy of which is attached to these minutes, was received from the following member of the public:

- Terry Wilton

President Herber then turned to Directors' Reports.

Director Sanborn reported on her attendance, along with Director Rose, at the Citrus Heights Chamber's Elected Officials Reception as well as her participation on the leadership team for the "We Can Do It" event to be held at the Aerospace Museum on September 25-26. She reported on her attendance at the Visit Sacramento Tower Bridge Dinner and the JP Morgan We Power Growth event. She concluded by reporting on her attendance at City of Sacramento Mayor Steinberg's last State of the City address.

Director Kerth reported on his attendance at the Natomas Ride and Drive event at the North Natomas Community Center and the Labor Day Picnic at Fairytale Town hosted by the Central Labor Council. He concluded by reporting on the rehabilitation of the baseball field at Grant High School made possible by bond measures that had recently passed. He stated the field was named "Fat Rat Field" in honor of Coach Fred "Fat Rat" Lawson.

Vice President Fishman reported on his speaking engagement at the Museum of Science and Curiosity (MOSAC) where he was able to address students from different middle and high schools as well as his attendance at the Sacramento Regional Justice Center's Hope Gala where the original Executive Director, Faith Whitmore, was retiring and was honored for the work she has done. He then reported on his attendance at the groundbreaking for La Familia's Opportunity Center as well as the groundbreaking for Mutual Housing's San Juan Apartments on Stockton Boulevard. He concluded by reporting on his attendance at the State of the City address as well as the Sac Republic's Noche Latina event.

Director Rose reported on his attendance at the Sacramento Central Labor Council's Labor Day Picnic, the RE+ Conference, American

Leadership Forum classes, and a demonstration by the Folsom Historical Society using modern techniques such as coils for blacksmithing in place of coal. He concluded by reporting on his attendance at the Roseville Chamber's Splash! event in Placer County.

President Herber reported on her presentation to the CalTrans Women's Group, her attendance at the SMUD Meet the Buyers event, and her speaking engagement at the Elk Grove Chamber's Leadership Non-profit Community Partnership event. She reported on her attendance at the groundbreaking for the San Juan Apartments, announced the Sacramento History Museum would be holding its Burnett Awards on October 10<sup>th</sup> to honor businesses in the community, and reported on her attendance at the Clean Air Partnership luncheon where the focus was on planting more trees. She concluded by thanking the Board Office for their assistance during the busy month.

Paul Lau, Chief Executive Officer and General Manager, reported on the following items:

- 1) **National Hispanic Heritage Month**. We were excited to kick off National Hispanic Heritage Month, which runs from September 15 to October 15. This month is an opportunity to honor the rich history and tradition of the vibrant Hispanic culture and the significant contributions of people with roots in Spain, Mexico, the Caribbean, Central America and South America. Our Latinos Unity Network for Action, or LUNA, Employee Resource Group celebrated with our community at Sacramento Republic's Noche Latina themed night on September 14. They will continue the celebrations here at SMUD, in a variety of ways, including bringing our employees a fun Lowrider event on October 2.
- 2) **Meet the Buyers**. Speaking of events, we hosted our annual Meet the Buyers event last week to grow partnerships with local vendors who want to do business with SMUD. Thank you to

President Herber for attending, speaking at the event and connecting with our community. The event was extremely successful with over 300 small business attendees! It is part of our ongoing efforts to make sure our entire community is benefiting from the transition to a clean energy economy. Last year alone, SMUD awarded over \$103 million to local, small businesses – money that stayed in our local economy and helped our commercial customers' businesses grow. This event gave local businesses an opportunity to connect with our purchasing team, explore upcoming opportunities and network with others. They also learned about our 2030 Zero Carbon Plan, the role of our vendors and supply chain in meeting our vision and how energy efficiency and electrification can enhance their business and our community.

3) **Folsom Historical Society**. Also last week, we had an opportunity to celebrate a truly unique electrification project with one of our Shine Award partners. The Folsom Historical Society debuted their electric-powered induction forges for their Clean Blacksmithing training program! These forges will boost training capacity, cut carbon emissions and reduce safety risks and coal dependence. By transitioning to induction forges, the organization expects to cut its annual coal consumption by 2.5 tons and reduce associated carbon emissions. Because of our Shine Awards program, organizations all around our area are coming up with innovative ideas and projects that are leaving a lasting positive impact on our community. Back when the Shine Awards began seven years ago, we could not have even dreamed of projects like this one!

4) **Awards**. Next, I would like to highlight some exciting awards. SMUD received a platinum ranking for our Electric Vehicle Adoption Leadership efforts from Forth Mobility. This

recognizes employers dedicated to advancing clean transportation opportunities for their employees - to and from work. We also won the 2023 Energy Project Award for our Station G Substation from the American Society of Civil Engineers (ASCE). The ASCE project awards celebrate those who are driving positive change in our city through civil engineering. Congratulations to all on these accomplishments!

5) **Board Video.** Tonight's video is part of our "I am SMUD" campaign – an employee-focused campaign designed to celebrate diversity, inspire conversations and foster a sense of belonging. As the second video of our campaign, the voices of five of our employees help tell the story of how energy needs diversity and what we are doing to build a workforce that represents and serves our diverse community. Thank you to all our employees who participated in this video and helped bring it to life, some who are here in the room with us tonight! When we celebrate our differences, we can fully unleash the full potential of our energy and help shape a brighter, more sustainable future for all.

President Herber requested the Summary of Board Direction, but there were no items.

No further business appearing, President Herber adjourned the meeting at 6:44 p.m.

Approved:

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President

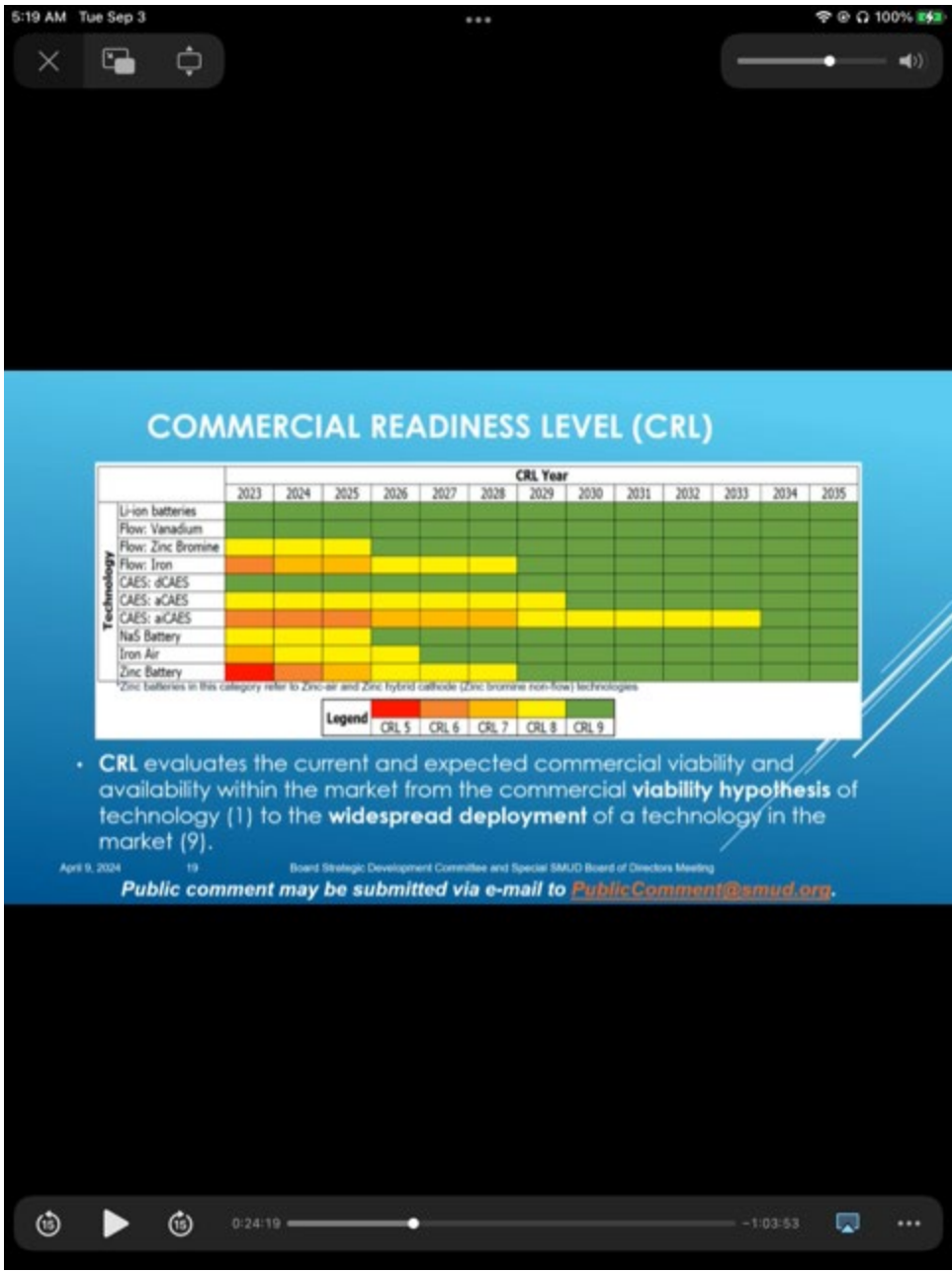
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Secretary

**From:** [TERRY WILTON](#)  
**To:** [Public Comment](#)  
**Subject:** [EXTERNAL] Zinc Bromine Battery Option Question  
**Date:** Tuesday, September 3, 2024 2:53:23 AM  
**Attachments:** [image.png](#)

CAUTION: This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Could you please offer more insight on this slide. EOSE to my understanding now has its first high volume manufacturing line up and running. I would characterize their battery as Zinc Bromine (non flow) . This slide from Mike Gravely April 2024 presentation infers that there is no viable offering until 2029. What am I missing . Thanks.





Terry Wilton

Sent from my iPad



SSS No. LEG 2024-0126

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date N/A
Board Meeting Date October 17, 2024

TO	TO
1.	6.
2.	7.
3.	8.
4.	9. <b>Legal</b>
5.	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<b>Yes</b>		<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>		<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Joe Schofield	DEPARTMENT Legal	MAIL STOP B406	EXT. 5446	DATE SENT 10/02/24
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**NARRATIVE:**

**Requested Action:** Approve proposed revisions to **Strategic Direction SD-7, Environmental Leadership.**

**Summary:** During the June 11 Strategic Development Committee, the Board directed staff to prepare a recommendation on proposed modifications to Strategic Direction SD-7, Environmental Leadership (SD-7) to include a biodiversity policy. At the September 11 Policy Committee, staff presented proposed revised language, and the item was placed on the October Consent Calendar. Copies are attached in “redline” and “clean” format.

**Board Policy:** *(Number & Title)* Governance Process GP-1, Purpose of Board – Subsection a) Identify and define the purpose, values and vision of SMUD and communicate them in the form of policy.

**Benefits:** Enables the Board to review the policy with the opportunity to make corrections, additions, or changes if necessary.

**Cost/Budgeted:** N/A

**Alternatives:** Maintain the existing policy; approve different revisions; table discussion for another date.

**Affected Parties:** Board of Directors, SMUD, Community

**Coordination:** Board Office, Executive Office, Environmental, Safety & Real Estate Services, and Legal

**Presenter:** Laura Lewis, Chief Legal & Government Affairs Officer

**Additional Links:**

SUBJECT <b>Approve Proposed Revisions to Strategic Direction SD-7, Environmental Leadership</b>	ITEM NO. (FOR LEGAL USE ONLY) <b>5</b>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SMUD BOARD POLICY



**Category:** Strategic Direction  
**Policy No.:** SD-7  
**Title:** Environmental Leadership

Environmental leadership is a core value of SMUD. In achieving this directive, SMUD will:

- a) Conduct its business affairs and operations in a sustainable manner by continuously improving pollution prevention, minimizing environmental impacts, including Tribal and other cultural impacts, conserving resources, enhancing regional biodiversity and promoting equity within SMUD’s diverse communities.
- b) Provide leadership and innovation to improve air quality and reduce greenhouse gas emissions.
- c) Promote the efficient use of energy by our customers.
- d) Advance the electrification of vehicles, buildings and equipment.
- e) Attract and build partnerships with customers, communities, policy makers, the private sector and other stakeholders.

**Monitoring Method:** CEO Report

**Frequency:** Annual

**Versioning:**

August 21, 2003	Resolution No. 03-08-13	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
July 21, 2005	Resolution No. 05-07-10	Date of Revision.
December 18, 2008	Resolution No. 08-12-14	Date of Revision.
April 15, 2021	Resolution No. 21-04-04	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
November 16, 2023	Resolution No. 23-11-07	Date of Revision. <del>[Current Policy]</del>
<u>October 17, 2024</u>	<u>Resolution No. 24-10-##</u>	<u>Date of Revision. [Current Policy]</u>

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**Policy No.:** SD-7  
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April 15, 2021	Resolution No. 21-04-04	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
November 16, 2023	Resolution No. 23-11-07	Date of Revision.
October 17, 2024	Resolution No. 24-10-##	Date of Revision. [Current Policy]

**DRAFT**

RESOLUTION NO. \_\_\_\_\_

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board approves the revisions to the **Strategic Direction SD-7, Environmental Leadership** substantially in the form as set forth in **Attachment \_\_\_\_**.



SSS No. E,S RES 24-09

# BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date Policy, October 9, 2024
Board Meeting Date October 17, 2024

TO		TO	
1.	Frankie McDermott	6.	
2.	Farres Everly	7.	
3.	Brandy Bolden	8.	
4.	Suresh Kotha	9.	<b>Legal</b>
5.	Claire Rogers	10.	<b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR)	DEPARTMENT			MAIL STOP	EXT.	DATE SENT	
Ellias van Ekelenburg	Env, Safety, and Real Estate Services			B209	7475	09/10/2024	

**NARRATIVE:**

**Requested Action:** Accept the monitoring report for Strategic Direction SD-6, Safety Leadership.

**Summary:** Report on the status of Strategic Direction SD-6, Safety, for safety performance from January through June of 2024. Report addresses safety leadership accomplishments during the first 6 months of the year, current Days Away Restricted Time numbers, and safety opportunities and challenges.

**Board Policy:** *(Number & Title)* This report supports the SD-6 Core Value of Safety by providing a safety performance status.

**Benefits:** Provide the scheduled bi-annual monitoring report as requested by the Board of Directors and Executive Staff. The report provides an opportunity to make recommendations or policy revisions, as necessary.

**Cost/Budgeted:** None

**Alternatives:** Provide the Board monitoring report without a presentation.

**Affected Parties:** Board of Directors, Executive Staff

**Coordination:** Organization-wide

**Presenter:** Ellias van Ekelenburg, Director of Environmental, Safety, and Real Estate Services

**Additional Links:**

SUBJECT SD-6, Safety Leadership Board Monitoring Report	ITEM NO. <i>(FOR LEGAL USE ONLY)</i> <b style="font-size: 1.5em; color: blue;">6</b>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** September 25, 2024

**FROM:** Claire Rogers *CR 9/25/24*

**SUBJECT: Audit Report No. 28007752  
Board Monitoring Report; SD-6: Safety Leadership**

Internal Audit Services (IAS) received the SD-6 *Safety Leadership* first-half 2024 Biannual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

**CC:**

Paul Lau

# **Board Monitoring Report 1<sup>st</sup> and 2<sup>nd</sup> Quarters, 2024 Strategic Direction SD-6, Safety Leadership**



## **1. Background**

Strategic Direction SD-6, Safety Leadership states that:

Creating a safe environment for employees and the public is a core value of SMUD.

Through best practice methods and continuous improvement, SMUD will be recognized as a leader in employee safety while also assuring the safety of the public related to SMUD operations and facilities. SMUD commits to a proactive approach, including the active involvement of SMUD leadership, employees, contractors, and the community, as well as comprehensive monitoring of organizational and public safety performance.

Therefore, SMUD will continue to improve safety results to:

### **a) Workplace Safety**

- i. Reduce SMUD's injury severity incidents to 13 or less than by 2025, as measured by OSHA's Days Away Restricted Time (DART), a rate that demonstrates top quartile safety performance for similar size utilities using the Bureau of Labor Statistics (BLS) work-related safety data.
- ii. Provide timely, quality health care for injured employees that aids their recovery while maintaining positive financial performance of the workers' compensation program.

### **b) Contractor Safety**

- i. Support contractors to reduce and eliminate potential hazards for Serious Injuries and/or Fatality (SIF) when conducting high risk work.

### **c) Public Safety**

- i. Track and report injuries to the public related to SMUD operations or facilities.
- ii. Implement measures to protect the public from injuries related to SMUD operations or facilities.

## 2. Executive Summary

**SMUD is in compliance** with the SD-6 direction and is in alignment with SMUD’s new 5-year strategy of working toward a zero-incident culture.

### **Workplace Safety**

SMUD has recorded 11 OSHA Recordables injuries in the first half of 2024. This is a 48% decrease from this time last year (21 OSHA Recordables). Of the 11 injuries, 5 (3 Lost Time & 2 Modified Duty injuries) resulted in a 0.45 DART rate. This represents a continued decrease in injuries which is trending downward to meet our 2025 Target. (See Appendix A).

Quality care of injured employees is measured through the Workers’ Compensation program’s performance, which is assessed annually by an independent actuary. SMUD continues to have a reduction in indemnity benefits over the past three years as presented below. However, the number of claims and injury frequency rates have increased.

<b>Fiscal Year</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>No. of Claims (Medical &amp; Indemnity)</b>	89	59	54	46	63*
<b>Incident rate per 100 employees</b>	2.3	2.4	2.2	1.8	2*
<b>Rates per \$100 payroll</b>	.94	.85	.67	.58	.50*

\*2024 data provided is a projection at the time the Actuary Report was prepared and may change.

### **Contractor Safety**

SMUD continues to use ISN to evaluate safety records and performance for high-risk contractors. This evaluation focuses on Contractor Fatality History, OSHA Citation History, DART and Total Recordable Incident Rates (TRIR), Insurance Experience Ratio, Safety Culture Questions, and Safety Program Review. Currently SMUD has 136 contractors in the ISN system.

This year we have increased the number of site safety evaluations for high-risk contractors to validate safety performance on the jobsites. Safety has completed **214** site safety visits through the 1<sup>st</sup> half of 2024 and are well on our way to meet the 2024 goal of 250 evaluations. These visits focus on SMUD contractors who work with Power Generation, Environmental Services, Line, Substation, Facilities and Vegetation Management on projects where high-risk work is performed. This work includes high voltage work, working at heights, vegetation management, confined spaces, excavations, etc. Additionally, we have fully integrated the use of the SMS system for inspections, incident tracking, reporting and investigations of SMUD contractors. This allows SMUD to verify safe working practices by our contractors to reduce the potential for serious injuries or property damage. Contractor reported incidents require an investigation to be completed, and typically will warrant additional site safety visits to verify corrective measures have been put into place to reduce further occurrences.

The Contractor Safety Team is working with ISN to pilot a safety training qualifications tool. This tool will allow a more efficient method of verifying Contractor Employee qualification. An example of this would be the SMUD Specific Vegetation Safety Orientation that will allow SMUD to communicate safe work practice expectation to our contractors. The Contractor Safety Team also partnered with the Vegetation Management Team for the 2024 Contractor Safety Day. This

event is aimed to set expectations to our Vegetation Contractors doing high risk work. This event is an effective way of reaching Vegetation Contractor employees.

In addition, SMUD Procurement and Safety have partnered to enhance contract language as it relates to contractor safety requirements, Request for Proposal (RFP) templates for high-risk work and incorporating contractor safety as part of the onboarding process. The Contractor Safety Team is currently working closely with Procurement on the RFP Reviews for high stake Contracts such as the PCC, Substation Builds, Vegetation Management Line Clearance, Line Pole Replacement, and Cable Replacement RFP's.

## **Public and Community Safety**

### Public Safety Statistics

SMUD tracks public and community incidents in the Safety Incident Tracking System (SITS) involving car-pole, electrical contacts, dig-in incidents, and injuries to the public that are related to SMUD's operations or facilities. The following statistics are reported for the 1<sup>st</sup> half 2024:

- There have been 143 incidents where the public struck a SMUD asset with a vehicle, with two fatalities from such events.
- Three electrical contact incidents were reported and have become personal injury claims pending further investigation.
- There have been 28 dig-in incidents reported with no injuries. In response to these dig-ins, SMUD's public safety team has sent out 15 notification letters to contractors and customer's responsible for the dig-in occurrence as a proactive effort to provide further awareness and education on best practices to avoid future occurrences. This is a new practice that was started to support this program.

### Public Safety Events

SMUD's Health & Safety and Line department personnel attended the Elk Grove Regional Safety Day event to provide educational outreach and resources to the Elk Grove and Galt community members in attendance. The resources provided were in promotion of digging safely around our underground lines and the USA 811 process. Approximately 2500 attendees were noted in 2024. This event was also a way for SMUD to support local area first responders for the Consumnes Services District (CSD).

SMUD's Health & Safety supported the Jackson Laboratory's Safety Awareness week by hosting a booth in support of public safety around SMUD equipment and infrastructure. Specifically, SMUD health and safety provided handouts, giveaways, prizes, and informational resources on how to remain safe around downed lines and the USA 811 process with an emphasis on the "Call Before You Dig" campaign.

SMUD's Public Safety team participated in a joint training and awareness effort with PG&E for Sacramento City Fire Department's (SFD) Officer's training class. SMUD provided knowledge on high-voltage equipment identification, SMUD's unique assets, and discussed future collaboration efforts with their leadership teams over the course of three days.

### New Public Safety Initiatives

The public safety team has partnered with Culver Communications to upgrade the smudsafety.com website geared toward third-party contractors, agricultural workers, and educators. The site functionality and aesthetics have been improved. Also, additional language

options have been added to the smudsafety.com website in order to represent the diverse community SMUD continues to serve.

SMUD's Marketing department and public safety team have partnered together to build out a campaign in support of public safety and workplace safety. This new campaign initiative involves building awareness on preventing obstructions near SMUD's infrastructure. The broad campaign was developed based upon the labor requests from the Joint Labor Management Safety Committee (JLMSC). The campaign message will be delivered to the general public in several formats, including social media, Connections Newsletters, and bill inserts in the remainder of 2024.

### **3. Additional Supporting Information**

The new SD-6 Safety Direction became effective February 2021. Our goal is to achieve the desired performance objectives by year-end 2025. This report summarizes the first half of the 2022 safety performance.

#### **Safety Leadership**

The Safety Team continues with its integration efforts to support Executive Leadership's 5-year plan that emphasizes zero incidents and injuries and a focus on a zero-accident safety culture. SMUD's Executive Leadership team continue to emphasize our Safety priority with all personnel, contractors and in the public. We continue to grow our Safety for Life culture by reducing the risk of serious injuries and fatalities, targeting messages to staff on topics beyond work related risks, and looking for new way to maintain engagement. These goals are outlined in SMUD's Safety Road Map, which was last updated in 2023.

#### **Safety Management System (SMS)**

During the first half of 2024, Optimization of Benchmark Gensuite, SMUD's Safety Management System (SMS) continued. AI functionalities within SMS were explored and are currently being piloted in the ergo evaluation application. Supervisor employee interactions were a targeted focus with office personnel. Forms were updated and new forms created to insure that frequently performed tasks are being observed during these interactions. A new incident type and log was created in the Incident & Measurements application to meet the new OSHA regulation on Workplace Violence. Enhancements to the Sustainability, ACE Forms, Concern Report and ATS application have been implemented to better align with SMUD's processes and Core Competencies. Electronic tailboards continue to be enhanced with human performance (HP) being utilized in the process. New projects and process improvements continue to evolve with increased utilization and visibility among the workforces.

#### **Safety Standards Development**

The Safety Team continues our ongoing process of updating SMUD's Health & Safety Standards, as a foundation and in support of the organization's World Class Safety initiatives. The Core Standards Team has been utilizing the same routing process as the Sacramento Power Academy, through SharePoint. This process has proven positive to bringing updates and new Standards to completion.

The Standards Team has also been working on the implementation of new regulatory requirements, including:

- Workplace Violence Prevention Plan (CA Labor Code 6401.7 and 6401.9), added to the Injury & Illness Prevention Program, as Appendix B; and

Information on the additional regulatory requirements and how SMUD leadership and employees should respond to these potential safety situations, to prevent incidents, will continue to be provided to all SMUD personnel in various formats, including Safety Meetings, ENN's, on-site electronic monitors, drop-in meetings, and Safety Training.

### **Supervisor-Employee Interactions**

Safety continues to strengthen the quality of the supervisor-employee interaction program by improving inspections and moving the process to the Safety Management System (SMS). Emphasis is placed on field visits for work with the highest hazard potential. Team Members continued visiting various crews throughout SMUD, to assist with employee safety concerns, processes, procedures, and equipment. For office personnel, an emphasis is placed on observing personnel pertaining to ergonomic risk, and slip/trip/fall hazards in walking areas. Eleven Q&A sessions were completed to support business units and leaders, navigate SMS ACE Forms and data mining reports to stay on top of their progress. Safety staff scheduled director level meetings where leaders received step by step tutorials, targets were established and the SMS Supervisor Employee interactions process was discussed. During the first half of 2024, a total of 3,418 Supervisor-Employee interactions were complete which resulted in 164% percentage observed.

### **Near Miss and Positive Observation/Good Catch Reporting**

Leadership continues to support and encourage near miss and positive observation/good catch reporting. The goal of this process is to identify opportunities for learning, prior to an incident occurring. During the first two quarters of 2024, 92 near miss and positive observation/good catch reports have been reported and recorded in the Safety Management System (SMS). Seventy-two have been recorded using the Concern Reporting application and 20 in Incident & Measurements application.

## **4. Challenges**

### **Work-Related Musculoskeletal Disorders (WMSDs)**

The SMUD Safety Team continues to partner with business units to a reduce all WMSD's. In this hybrid Awards work environment, Safety continues to conduct Ergonomic evaluations in the office, field, and virtually for remote workers, to meet the needs of the workforce. Safety continues to consult with a Board-Certified Professional Ergonomist and other soft tissue injury reduction specialists to review opportunities for improvements of our Ergonomics Program, such as using AI technology for assessments and data collection. The Field Ergo Committee has been actively engaging with substation, field metering and hazmat crews conducting ergonomic assessments of various work tasks. Safety and Substation leadership partnered with ergo experts to initiate a strength and physical condition pilot program with the Substation Apprentices; results have been favorable.

## **5. Recommendation**

SMUD is committed to becoming a recognized leader in safety. Both SMUD's leadership team and employees recognize that to achieve success we must integrate safety into all that we do. It is recommended that the Board accept the Monitoring Report for SD-6

## **6. Appendices - World Class Safety Program Improvements & Supporting Information**

### **Safety for Life**

Safety and Environmental Day is on track for the second year since COVID. The event will be held at Safety Center's Safetyville in October and welcomes all SMUD employees and their families. It will be Harvest theme with haystacks and plenty of decorations, kids are encouraged to dress up. Some of the events will be pedestrian safety, bicycle safety, and a CPR class along with multiple vendors and SMUD booths like CalTrans, SCORCH, Fleet Feet, Environmental team, Sac Metro Fire, and much more!

Sparky's Crew continues to get families involved in safety by sending safety postcards and quarterly newsletters to SMUD children enrolled.

Our Safety for Life communications continue. This year we have placed emphasis on doing "About Me's" for the SMUD Safety team so employees can get to know all of the Safety Team members.

### **Driver Safety**

In 2024 Safety hosted our first driving rodeos for the Line Department. Four of these rodeos took place in April and four in June. The driving rodeo team has two more planned for fall for the Facilities team as well as the Energy Specialist team. A preventable vehicle accident team has been established and reviews SMUD's PVA's every two weeks. This team looks for trending data and uses the data during the rodeos to have discussions with the employees and prevent further PVA's. Safe driving is being emphasized in vehicle reports that are provided to directors and managers and key contacts for participating business units. The reports capture speeding as well as seat belt use. Leaders are able to use this information in their interactions to help mitigate unsafe driving behaviors as well as reinforce safe driving behaviors. Modifications to the report continue to be made based on feedback from leaders and their business unit.

SMITH training continues to be provided to new hires, as well as existing employees due for refresher, continuing to elevate their driving performance. This is performed with internal trainers and SMITH instructors alike. The Safety team also trained additional leadership under ED&O to perform driving-based SCORCH observations on their staff, adding value and focus to their observations.

Messaging in the form of highly visible banners continues to be installed in the Yard at ECOC, while opportunities for HQ Campus and Fresh Pond are under evaluation. These banners offer simple, straightforward reminders of key safe driving behaviors where they matter most – visible to our drivers while in the vehicle. Messaging in regular safety meetings has been tailored to target specific trends observed in internal accident data. Meanwhile, the safe driving decal refresh project is ongoing in collaboration with Fleet.

### **Workplace Violence**

SMUD Health and Safety team collaborated with PS&S, Security and the PMO staff to refresh the Workplace Violence Prevention Plan (WVPP) to meet new SB-553 and Cal/OSHA requirements. A few significant changes include:

- Workplace Violence Specialist (working title), which is supported by Security, PS&S and H&S.
- Incorporated in SMUD's Safety Management System a Violence Incident Log

- Learning & Development created LMS training to build awareness throughout the organization.

### **COVID-19 Support**

The safety of our employees is of utmost importance, so we continue to perform contact tracing and ensure employees report SMUD COVID-19 cases. As they are reported a dedicated team ensure that state requirements are followed. The Cal-OSHA Emergency Temporary Standard is sunseting in February of 2025, and SMUD Safety, People, Services, & Strategies, along with Communications have updated the COVID-19 guidance to meet regulation changes within the Cal-OSHA Emergency Temporary Standard as the regulation is nearing sunseting. Our third-party vendor Axiom Medical continues provide staff with illness leave guidance. Our process continues to be followed and has prevented large outbreaks or work stoppages to critical areas of operations.

### **Wildfire Smoke**

In April of 2023, the HRO Safety Team reviewed the Health & Safety Standard for Wildfire Smoke for any gaps and collaborated with other work groups to ensure any necessary equipment, to reduce employee exposures were available and ready to deploy. In addition, there was a review and update of the Wildfire Smoke Training to ensure field crew members received information on how to access resources, should a Wildfire Smoke event occur. The training was delivered to all field crew personnel in June 2024. Examples of resources available to SMUD employees are: the use of the Purple Air monitoring system, in cab vehicle HEPA air filters, PPE, and scheduling. This year, to date, we have had 1 day of notifications. This was only an air quality status report due to a local fire that had broke out. AQI threshold did not exceed 150. Staff is also researching new wildfire smoke applications such as Watch Duty, which can help track fire that impact our infrastructure and field personnel.

### **Fire Retardant Clothing**

All employees who work on or around energized equipment are allotted a yearly FR Clothing allowance to ensure they are adequately protected. To ensure employees have access to clothing which meets the Arc Flash requirements of SMUD equipment and the latest FR material technologies to improve their level of comfort in various types of weather conditions (i.e., storms, cold, rain, or heat), Safety works with the FR Vendor, to host an annual review (in the Fall) of the latest offerings from the top FR Clothing Manufacturers and a sample of affected SMUD employees, for input. Safety is in process of scheduling this annual review. New employees of the electrical trades will receive FR Clothing Training by a Safety Representative to ensure employee is added to the FR Clothing portal and is apprised of the proper care and maintenance of their clothing.

### **Joint Labor Management Safety Committees**

**Hydro JLMSC** – Advanced First Responder training was completed to comply with Cal/OSHA standards regarding the administration of breathing air and stop-bleeding apparatus. Confined Space Rescue training has been completed amongst the field staff to ensure prompt response to any confined space rescue needs. Loon Lake Machine Hall evacuation procedure has been finalized and will be followed up with the production of a training video as well as evacuation exercises.

**Line Assets JLMSC** – A variety of safety improvements are in progress or already completed through the Line Assets JLMSC. Key improvements to highlight are: 1) Partnership between Line, Warehouse and Safety to update the inventory of Trauma Bags, including inspecting



current trauma bags, replacing expired materials and adding in new products such as splints and tourniquets.2) Partnership between Line, Public Safety and Communications to develop a communication plan with customers to highlight the importance of maintaining clear access to SMUD equipment on customer properties for both customer reliability and safety of our employees. 3) Line, Safety and Telecom partnered to identify a solution to a communication issue during Helicopter operations. Solution has been identified and is currently in the process of being funded, purchased and built.

**Substation JLMSC** – A Substation emergency response procedure was established and implemented. Tabletop and on-site exercises were conducted with both the work group personnel and the Emergency Preparedness Team to verify validity of this procedure and process.

## **Safely Conducted Observations Reduce Common Hazards (SCORCH)**

### **Observation Engagement & Behavior Trends**

For the first half of 2024, a total of 2471 employees were observed under the Office & Professional process. **Head/Neck Posture** was both the top safe and at-risk behavior for this time frame. Risk Reduction Reminders are moving the needle in a positive direction. Validated in moving from a 2<sup>nd</sup> half at-risk rating of 28.5% in 2023 to a 1st half rating of 22% in 2024. Resulting in a total behavior reduction rating of 6.5%. Guidance was provided for elevating awareness on Mondays and in the AM hours of the workday based on data analytics. Monitor distance and height tips combined with job aids for adjusting font and display settings are also proving to be effective. Reminders were shared in monthly Safety for Life meetings, along with providing newly created leadership specific messaging that could be inserted into employee one-on-one safety interactions/conversations, and small team meetings.

A total of 1854 field employees under the Electrical Trades and CFAS process, were observed for the 1st half of 2024. Observation feedback displayed the consistency in which Hand Protection was worn, making it the top observed safe behavior. Observation feedback highlighted the consistency in which employees took steps for minimizing exposure by wearing the proper type of glove per task, importance of proactively testing and making sure gloves are free of holes and tears. Opportunity for improvement was related to the top at-risk behavior of **Knee Protection/Ergo Mat**. Employees displayed a low perception of risk and awareness for potential soft-tissue related injury when performing kneeling/ground contacting task. Risk Reduction Reminders stressed the benefits of providing the knees a cushioned working surface no matter the frequency or duration. Though most employees use the ergo mat, the use of knee pads (attached to the body) was recommended to reduce leaving the kneeling mat behind in the truck and/or the lack of willingness for dragging it from location to location. Tips for considering knee pads as “shoes for the knees” spoke to the health benefits of how knee padding is designed to distribute pressure across the entire knee area, as well as to absorb some of the impact associated with moving around, shifting weight when changing positions or “walking” on your knees. We anticipate this behavior to trend and a positive fashion over the upcoming quarters.

### SCORCH Behavior Influencing Highlights:

- **Internal Engagement** – After attending DEKRA’s 2024 National Safety in Action Conference in April. Committee members held a two-day (In-person/virtual) SCORCH Mini Conference to share lessons learned. A total of 12 presentations were provided to all employees highlighting personal ownership and awareness for working safely. Topic

shares ranged from Fending off Fatigue, Back Injury Prevention School, Surprising Impact of Happiness at Work and Human Performance & Serious Injury and Fatality Potential. Positive feedback related to the relevance and thought-provoking topics was received from attendees with high audience numbers for both the in-person and virtual formats. SCORCH continues its tradition for sharing conference obtained information beyond its participating workforces, proudly sharing obtained best practices with all SMUD employees seeking inspiration via its mini conference. A big thank you to the leaders that showed their process support by sponsoring employees from their departments to attend the event and to leaders like Alex Williams and Terry Mcnemar for attending and experiencing the event first-hand along with presenting at our mini conference. SCORCH seek to put attending the 2025 Safety in Action Conference on the radar of the large number of new leaders across SMUD as part of its efforts to expand the use of behavior-based safety throughout the organization.

- **Timely Process Updates** – Digital monitors installed in the Substations and Field Metering departments are used to provide specific information related to the number of current and year-to-date observations completed. Top trending safe and at-risk behaviors, along with Risk Reduction Reminders. This visible platform for leveraging and broadcasting the real time data capabilities of the Safety Management System has been positively received. This allows for more proactive behavior adjustments to be made within the month/quarter versus the reactionary sharing of the data primarily in safety meetings. The success of this process pivot has garnered the attention and request by additional departments to install safety themed monitors. SCORCH is extremely excited and believes this will be a highly effective tool for maintaining a steady level of engagement, self-ownership for working safely and continuous education.
- **Safety RoadMap Alignment** – SCORCH continues to partner with the High-Risk Operations team and Safety Management System (SMS) app lead, Jackie Reames to insert behavior-based safety examples and definitions into traditional safety investigation practices. The investigation templates for both vehicle (PVA's) and (injury) incidents, have been updated to include a CBI (Critical Behavior Inventory) behavioral selection option. This will enhance the supervisors and investigators behavior identification ability, the extraction of specific job task behaviors. This will also allow us to generate historical and trending vehicle and injury incident data for both participating and non-participating work groups. This will prove to be one of the most effective ways in which SCORCH displays its flexibility and willingness to make process modifications to allow for greater utilization of its principles, taking bold steps to performing at a World-Class safety level.
- **External/Community Engagement** – SCORCH with its 23 years of behavior influencing success was asked to present and provide its behavior-based best practice share at multiple safety events. This encompassed presentations at the DEKRA, Safety in Action Conference, (ASSP) American Society of Safety Professionals and the Region IX (VPPPA) Voluntary Protection Program Participants Association, Safety Summit. Presentations highlight the creative ways in which behavior awareness can expand beyond the workplace and easily inserted into employees at-home and at-play environments. This displays SMUD's cultural commitment to Safety for Life and behavior-based safety as a lifestyle choice that intentionally engages family and friends.

## **Confined Space Rescue**

SMUD's Confined Space Rescue program has expanded to include more robust training and support for field forces and safety trainers alike. These improvements help our field forces to be better equipped to both prevent and respond to real-world emergency situations.

During Bundled Training, field forces receive hands-on practice with entries and mock-rescue scenarios, specific to SMUD's confined spaces. This was expanded to include additional groups who had not previously received this level of training. Additionally, these scenarios are undergoing review to maximize training value and consistency. Improvements were also made to SMUD's confined space rescue equipment inspection, maintenance, and tracking operation this year. The rescue equipment necessary to perform this work was inspected by the manufacturer, Toolroom's inventory was updated to include in-service equipment, and additional equipment was purchased to meet the evolving needs of our field forces.

In Q2, the Safety team also leveraged existing relationships with local confined space technical rescue contractors to ensure all SMUD field forces have access to these services. This has primarily benefited the Substations group and their transformer entry operations. Safety collaborated with one of these contractors and developed an updated rescue plan. As a result, the Safety department is prepared to deliver this complex training and provide related support to field forces on an as-needed basis. Simultaneously, Safety explored the use of new technologies to allow semi-remote inspection of transformer components, which reduces employee risk exposure by eliminating the need for entry into a high-risk environment.

With Hydro Operations consisting of multiple remote locations, employees from various work groups have undergone Non-Entry Confined Space Rescue training in order to provide prompt rescue services in-house. Along with this initial training, an annual refresher and real-life scenario mock rescue will occur. Rescue equipment upgrades and additions are underway, including an enclosed trailer dedicated to CSE Rescue equipment to ensure efficient mobilization.

## **Heat Illness**

SMUD continues to identify heat as one of the main hazards our employees face during the hot summer months. SMUD continues to train field-based employees each year on the signs/symptoms of heat illness, appropriate measures to reduce the potential for heat illness, as well as how to respond appropriately in the event of a heat related emergency. SMUD's tool room continue to offer a variety of solutions to combat working in the heat, including: water, ice, coolers, electrolyte supplements for water, portable shade structures, shade visors for hard hats.

The Network/Underground work group purchased and deployed an additional cooling trailer unit that can be used to provide both confined space ventilation as well as cooling of the air inside hot underground facilities during summer months. This reduces potential heat stress to the employees and allows for a safer work environment.

## **Medical Monitoring**

With the departure of our Onsite Medical Services provider EOMC, the health and safety team has begun migrating services to new vendors. This has included the use of onsite "pop-up clinics" to limit the need for SMUD employees to travel to off site clinics. SMUD is working with the new vendors to migrate applicable records as well as set up dashboards that will be used to track employee being seen for Medical Monitoring. Health and Safety will continue throughout

the year to ensure all employees are current on their medical monitoring. With the new medical surveillance monitoring program, the safety team had over 70 employees from our Hydro-Operations go through the process with the new vendor in June.

**Awards**

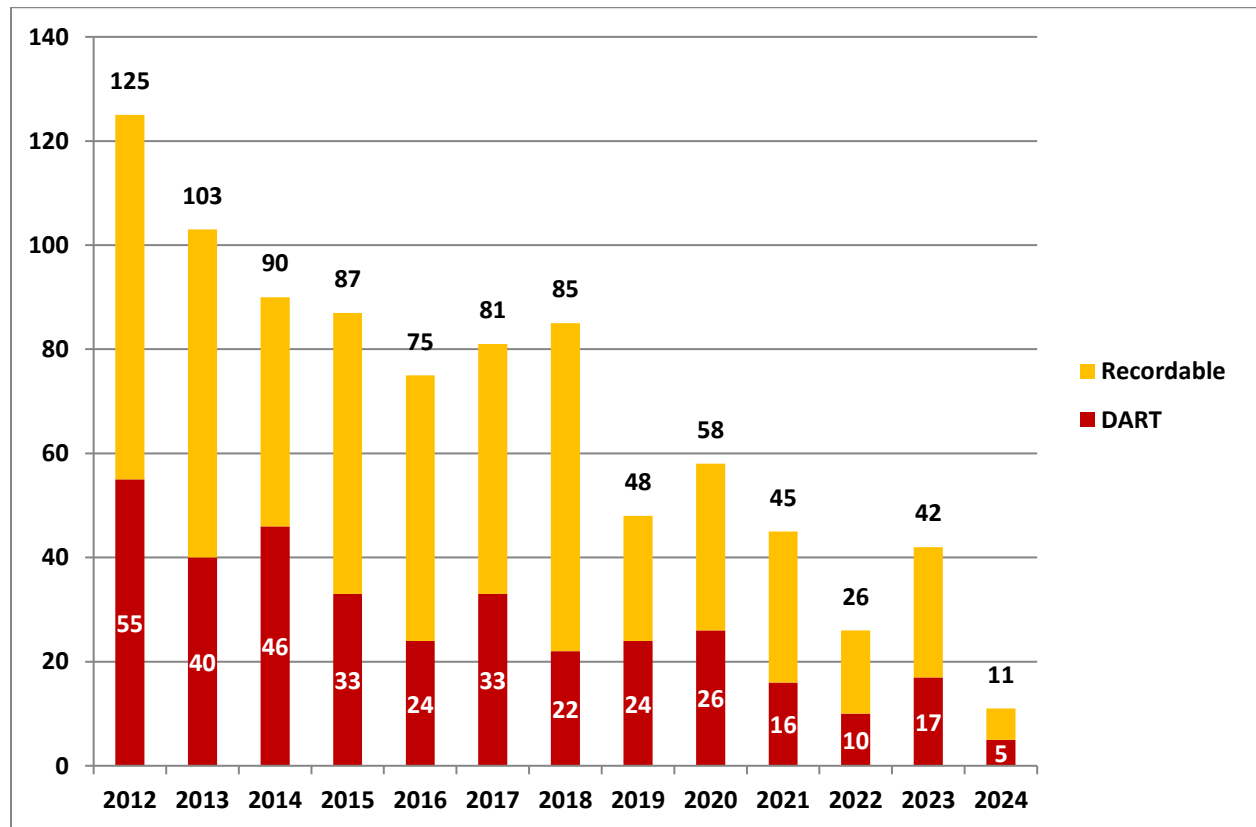
The American Public Power Association (APPA) recognized the top utilities from across the country for their safe operating practices in 2023. We're excited to announce that SMUD earned the APPA's 2023 Safety Award of Excellence, achieving Diamond Status. The Diamond designation is the highest status awarded by APPA to utilities who demonstrate a strong commitment to its employees, customers and the community. The Diamond Status was awarded to SMUD during Q1 of 2024.

The Northwest Public Power Association (NWPPA) awarded SMUD with 3<sup>rd</sup> place in their 2024 Safety Awards. The award is based on a utility's incident rate caused by injury or illness cases, and the severity rate, or lost workdays, in 2023.

The National Safety Council (NSC) recognized SMUD in Q1 of 2024 for the 2023 Occupational Excellence Achievement Award. This award recognizes organizations with injury and illness records better than or equal to 50% of the Bureau of Labor Statistics for their NAICS code.

**Appendix A**

**DART Count and OSHA Recordable 2012-2024**



RESOLUTION NO. \_\_\_\_\_

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-6, Safety Leadership**, substantially in the form set forth in **Attachment \_\_\_\_** hereto and made a part hereof.



SSS No.
ZCES 24-009

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Policy – 10/09/24
Board Meeting Date October 17, 2024

TO				TO			
1.	Lora Anguay	6.					
2.	Claire Rogers	7.					
3.	Farres Everly	8.					
4.	Suresh Kotha	9.	<b>Legal</b>				
5.	Brandy Bolden	10.	<b>CEO &amp; General Manager</b>				
<b>Consent Calendar</b>	<input checked="" type="checkbox"/> <b>Yes</b>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input checked="" type="checkbox"/> <b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR)	DEPARTMENT		MAIL STOP	EXT.	DATE SENT		
James Frasher	Research and Development		A210	6082	9/25/2024		

**NARRATIVE:**

**Requested Action:** Accept the monitoring report for **Strategic Direction SD-10, Innovation.**

**Summary:** The purpose of this meeting is to facilitate a discussion with the SMUD Board of Directors on Strategic Direction SD-10, Innovation. The presentation will briefly summarize SMUD’s innovation pilots and research initiatives and the role this work plays in achieving the Zero Carbon Vision.

**Board Policy:** Strategic Direction SD-10, Innovation  
*(Number & Title)*

**Benefits:** The Zero Carbon Plan relies on new technology and business models to fully achieve zero carbon. Innovation, directed by SD-10, guides research into game changing technologies, design of pilot programs and the focus of research projects.

**Cost/Budgeted:** Contained within internal labor budget.

**Alternatives:** Provide information via written report through the Chief Executive Officer and General Manager

**Affected Parties:** SMUD customers and employees

**Coordination:** The innovation portfolio is cross cutting across the entire enterprise.

**Presenter:** James Frasher, Director, Research & Development, Grants & Partnerships

<b>Additional Links:</b>
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SUBJECT	<b>SD-10, Innovation Board Monitoring Report</b>
	<b>ITEM NO. (FOR LEGAL USE ONLY)</b> <span style="font-size: 2em; color: blue;">7</span>

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** September 25, 2024

**FROM:** Claire Rogers *CR 9/25/24*

**SUBJECT: Audit Report No. 28007754  
Board Monitoring Report; SD-10: Innovation**

Internal Audit Services (IAS) received the SD-10 *Innovation* 2024 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

**CC:**

Paul Lau



# Board Monitoring Report 2024 Strategic Direction SD-10, Innovation



## 1) Background

Strategic Direction SD-10 states that:

Delivering innovative solutions, products and services to our customers is a core value. To assure our long-term competitiveness, SMUD shall invest in research and development projects that support its core and key values, and integrate emerging technologies and new business models into SMUD’s customer offerings in a way that balances risk and opportunity and benefit our customers and community.

## 2) Executive Summary

**SMUD is in compliance with SD-10 Innovation.** To assure SMUD’s long term competitiveness and delivery of the Clean Energy Vision, the Research & Development (R&D) team provides subject matter expertise, project planning and execution in support of SMUD’s core and key values. R&D evaluates emerging technologies and business models and accelerates integration into SMUD’s operations in a way that balances risk and opportunity. The R&D portfolio is focused on enabling the thermal transition, scaling load flexibility, and facilitating electrification of buildings and transportation. We support SMUD through research, analysis, development and demonstration of emerging technologies that benefit our customers and community, transition of vetted technologies into operations, and analysis of energy and climate change policies.

SD Requirement	Purpose	Outcome	Notes
<b>Project Implementation</b>	Project distribution indicates breadth of portfolio diversity and prioritization of program areas.	22 active projects in 2024. 5 projects are complete as of August 1, 2024 <sup>1</sup> .	This reflects a 33% decrease in active projects and 17% reduction in completions compared to previous reporting period.
<b>Risk</b>	Technology risk assesses ability to meet expected performance goals. Implementation risk assesses probability of deployment.	86% of projects are deemed low to medium-low technology risk. 82% are deemed low to medium-low implementation risk.	The risk portfolio is consistent with the previous reporting period. Potential risks are managed by creating a diversified portfolio and partnering with other entities to distribute risk and mitigation.
<b>Benefits</b>	Research stage and benefits timeframe indicate the relevance of portfolio to address customer needs and strategic planning.	64% of projects are in stages 4-5 <sup>2</sup> . 86% are expected to provide benefits to SMUD or customers within 5 years.	Percent of stages 4-5 is consistent with 2023’s 73%, reflecting the focus on near-term applications. Benefits time frame is consistent with 2023.

Table 1: SD Requirements Compliance

<sup>1</sup> Reporting metrics and achievements reflect the reporting period of August 1, 2023 – July 31, 2024.

<sup>2</sup> Stage 1 - Preliminary Investigation, Stage 2 - Concept Definition/Lab scale, Stage 3 - Concept Development (Prototype/bench scale), Stage 4 - Technology Development and Verification (pilot scale; field testing), Stage 5 - Commercialization

### 3) Additional Supporting Information

**Project Implementation:** SMUD's Research and Development team has the primary responsibility of meeting SD-10; however, notable innovation occurs throughout SMUD.

#### **Electric Transportation (ET)**

Transportation electrification improves air quality and reduces net greenhouse gas emissions and petroleum consumption to support energy sustainability, while creating new revenue streams for SMUD. This strategy is supported through investigation of mitigation of grid impacts due to charging, improvement of electric vehicles (EV) value via pricing signals and remote controls, increased EV adoption and access to charging. SMUD is specifically exploring multiple opportunities to expand our understanding of managed charging (V1G) and Vehicle-to-Grid (V2G) capabilities, applications, and implications.

#### Key Achievements:

- SMUD has the eFuel program ready to deploy EV chargers to underserved multi-family homes as part of the ChargeReady Community project, a \$2.23M California Energy Commission REACH grant awarded to SMUD in 2022. Final agreement execution with Mutual Housing will enable construction to begin later this year.
- The Del Paso Mobility Hub (three level 2 and one DC fast charger) started public operations in October 2023. Based on two quarterly reports received so far, project economics rely heavily on grant funding for long term viability. Majority of revenue is from DCFC utilization (mostly by drivers coming from the freeway nearby).
- The Residential Managed EV Charging pilot has enrolled over 1,200 vehicles from Tesla, GM, Ford and BMW. Early results show modest load impacts. Staff are working with the evaluator to refine the analysis estimating success of pilot in reducing future transformer overloads.
- SMUD was awarded \$2.9 million by the California Energy Commission to deliver the FAST grant, deploying 150+kW fast chargers at the Sacramento International Airport, Sacramento Valley Amtrak Station and Sacramento State University. These stations will offer public charging at an affordable rate for all users and further discounts for rideshare drivers, ensuring access to public charging at rates comparable to home charging. The chargers will be in areas where rideshare drivers already wait and queue for fares, reducing deadhead trips. Additionally, these chargers will be located in public lots, requiring no additional access fees.
- The CEC BESTFIT grant with the Twin Rivers Unified School District (TRUSD) aims to evaluate the effectiveness of managed charging (V1G) and V2G capabilities of electric school buses and light duty vehicles to balance impacts on customer and utility electrical distribution infrastructure and create value through grid services. Targeted use cases include reduced grid impacts, reduced customer infrastructure costs, wholesale cost avoidance. The site is expected to be fully operational, reporting valid usage data and controlling charging by late September 2024, pending a firmware upgrade for some of the chargers onsite. SMUD and FordPro plan to begin use case testing in late September, running through the end of 2024.

- Continued collaboration with TEPCO, Fermata, and Nissan includes demonstration of V2G on SMUD's campus using Fermata FE-20 bidirectional charger and SMUD's fleet Nissan Leaf. This charger is UL certified with endorsement by Nissan that it does not void their vehicle warranty. The vehicle charge and discharge can successfully be scheduled via API. Third-party optimization in response to price signals had some unexpected results. Staff is working through the analysis.

### **Energy Efficiency (EE) & Electric Buildings (EB)**

This program area optimizes energy delivery costs and improves grid asset utilization through targeted, time-specific energy efficiency and building electrification as well as by capturing permanent outcomes in building codes. R&D explores emerging and underutilized technologies; working to lower barriers to technology adoption.

#### Key Achievements:

- Phase 2 of the Home Infrastructure Planning project commenced, developing a model to estimate load profiles for single family residential customers after full electrification. Work will continue this year to expand the model to better represent SMUD's full single family residential population, which will help distribution planners and customers make optimal decisions regarding utility service upgrades supporting residential electrification.

### **Load Flexibility**

This program supports cost-effective, reliable, scalable flexible resource growth to serve future grid needs. R&D determines functional, operational and market viability of flexible loads to align supply and demand, give customers bill management options, improve air quality, and reduce carbon emissions.

#### Key Achievements:

- SMUD funded the New Buildings Institute and Lawrence Berkely National lab to recruit from the 32 - 120V Heat Pump Water Heater (HPWH) installations statewide last year to test the use of CTA-2045 modules for price and load response. Technical difficulty prevented the Advanced Load Up command from functioning properly, however the Load Up command still shifted 39% of HPWH load away from utility peak periods, resulting in average utility bill savings of 24% of HPWH consumption costs.
- Phase 3 DERMS features to enable market and distribution-based operation of DERs have been implemented, integrated, and tested in coordination with flexible heat pump water heaters under the PowerMinder pilot program. In anticipation of Phase 3 go-live in Q4 2024, stakeholder discussions are underway to identify DERMS enabled processes for shared visibility into DER operations by distribution and bulk system operators. The operational processes include coordination with planning stakeholders to recognize avoided long-term costs, displaced by flexible DERs.
- Smart inverters allow utilities to monitor residential PV and storage (potentially as an alternative to generation submeters) and provide control functionality to assist in grid support. This project will test smart inverter connection via two pathways: direct connection and through vendors/aggregators. Data analysis was completed for the Direct Connection pathway, which used the IEEE 2030.5-CSIP protocol successfully in

the majority of tests without issue. There remain some interoperability issues that hopefully will largely be fixed in the next 3.0 update. The Vendor/Aggregator pathway has gone through lab testing with a IEEE 2030.5-CSIP server and will start customer testing by Q4 2024. Direct connection will assist in development of the DERMS, while the vendor/aggregator pathway will leverage OEM and aggregator relationships to establish pilot access agreements to a broader range of smart inverters.

### **Thermal Transition**

R&D pursues innovative grid, storage and generation solutions to facilitate SMUD's goal of zero carbon by 2030 and accelerate interconnection of grid-connected systems and devices to ensure safe and efficient operation. This program supports system reliability and reducing emissions through alignment of DERs and zero-carbon generation with grid needs. It seeks to improve grid reliability through reduced outage frequency and duration; control of the distribution system, voltage and frequency variations, and overload conditions; and optimize grid benefits of DERs through advancing integration standards and coordinated automation.

#### Key Achievements:

- The ESS Phase 1 demonstration will deploy 4 MW / 30 MWh of Long Duration Energy Storage (LDES) iron flow batteries. This project will compare the reliability and uptimes of LDES and Lithium-Ion batteries as part of SMUD's partnership with ESS. Two ESS battery models will be tested: the Energy Warehouse and Energy Center. Site Acceptance Testing (SAT) and troubleshooting continues to be in progress for the 6 Energy Warehouses deployed. SMUD was awarded a \$10 million grant from the California Energy Commission to test 3.6 MW of the Energy Center product as part of the ESS Phase 1 demonstration. Preliminary design of the Energy Center build is in process in preparation for the Engineering Procurement and Construction solicitation.
- Renewable Natural Gas (RNG) and Green Hydrogen remain the leading alternative fuel candidates to convert and decarbonize thermal generation fleet operations longer term. SMUD continues to be engaged in the CEC Hydrogen Blending grant led by UCLA and the DOE Hyblend grant led by NREL. SMUD is pursuing participation in Phase 2 of the DOE Hyblend grant.

### **Climate Change**

This program provides technical, economic, and policy expertise on climate change and impacts to SMUD territory. It compliments SMUD's Zero Carbon Plan and aligns with our board direction to address climate vulnerabilities, and we partner with our customers and community on mitigation opportunities and regenerative, net positive projects.

#### Key Achievements:

- Carbon Farming and Ecosystem Service Research is a four-year study aiming to restore California prairie and native pollinator habitat under PV panels and in surrounding perimeter areas at Rancho Seco II. In its second year, the project completed a second native pollinator seeding within the panels, installed a half mile of hedgerow with native

shrubs and perennials and three other demonstration gardens in the Recreation Area. The project's focus is shifting to emphasize low-maintenance methods on an expanded footprint and an effort to achieve Bee-Better Electric certification. This project will help identify and demonstrate strategies to integrate ecosystem services and agricultural value into large scale solar projects, helping to mitigate their environmental impact and build public support for their continued construction, assisting SMUD in achieving the 2030 ZCP.

- In partnership with the Environmental Services team staff launched an updated Climate Vulnerability and Risk Assessment, including a refresh of the latest climate science relevant to existing infrastructure and projects planned under the ZCP. Deliverables include a framework for evaluating and prioritizing climate resilient investments, integration into long-term planning efforts and a new staff training module.

### **Enterprise-Wide Innovations**

While SD-10 innovation goals are met by R&D research programs, additional notable achievements occurred across SMUD supporting progressive customer offerings.

- Acceptance testing of DERMS Phase 2 features for localized DER operations was completed in Q2 2024. Acceptance testing of Phase 3 features for DER market operations, including integration with the Virtual Peaker DER platform, was completed in Q3 2024. Both DERMS phases 2 and 3 are scheduled to go live Q4 2024.

**Summary:** As SMUD advances toward implementation of the 2030 Zero Carbon Plan, R&D has ramped up support for thermal transition and load flexibility technologies and business models, focused on energy storage and electric transportation, while continuing to advance research in climate change and technologies that enable building electrification. These innovations help mitigate grid infrastructure impacts, maintain customer choice and offer new solutions toward a low carbon future. Our diverse portfolio helps maintain long-term competitiveness and balance risk with potential environmental and economic benefits, ensuring community benefits.

**4) Challenges:** 2024 began a concerted return to office campaign for most staff, which still includes remote work about half the time. Vigilance remains due to the ongoing health impacts of COVID-19. Supply chain and inflationary impacts continue to be felt in new procurements. Staff resources remain focused on providing subject matter expertise for efforts supporting zero carbon by 2030, balanced between grant planning, acquisition and delivery to reduce SMUD's costs for R&D and project planning and implementation.

**5) Recommendation:** Recommend the Board accept the SD-10 Monitoring Report.

**SD-10 Innovation 2024 Board Monitoring Report  
Appendix**

**Table 2: R&D Projects**

Research Program	ID	Project Name	Project Description	SD-10 Benefits	Start Date	End Date	Ward
Building Electrification	120	Home Infrastructure Planning Phase II (HIP II)	This project is developing a Residential End State model to provide load growth insights and intelligence to optimize decision-making for distribution system upgrades, recommend program offerings, and estimate the likely magnitude of impacts from residential electrification due to panel upgrades and distribution grid upgrades.	Better understanding of the infrastructure needs for fully electrified residences should help reduce the costs incurred by SMUD and our residential customers as they electrify their homes and vehicles. This will help to reduce future rate increases expected from the 2030 Zero Carbon Plan and accelerate our decarbonization transition of residential homes.	5/1/2023	12/31/2024	All
Building Electrification	67	St. Francis Manor Central HPWH Study	SMUD staff monitored the performance and benefits of converting a gas powered (boiler) domestic hot water system to a heat pump water heater (HPWH) driven system and found that primarily due to incorrect flows/piping of the water flow and the addition of a kitchen, there was insufficient hot water throughout the whole year for the tenants/kitchen. However, solutions have been identified (adjust the direction of the water flow and install a dedicated HPWH for the kitchen) to meet the customer's needs and deem this project as a successful option for businesses to electrify.	Prior to the addition of an unplanned commercial kitchen, the impacts of the original water heater electrification project were as follows: Estimated savings of \$2,233 annual energy cost saving (20%) compared to gas boiler (54% reduction in CO2 emissions). Conclusion: HPWH system is a cost-effective replacement for any building that already uses a central water heater	4/1/2021	9/30/2023	5

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Climate Change	64	Carbon Farming and Ecosystem Service Research at RSSII	Conduct field experiments at Rancho Seco to research ecosystems and evaluate the use of native species/pollinators to reduce the operational costs associated with vegetation management, erosion control, and fire protection. The project will explore the effects of vegetation and panel layout on PV generation and soil carbon.	The project will help identify and demonstrate strategies to integrate ecosystem services and agricultural value into large scale solar projects, helping to mitigate their environmental impact and build public support for their continued construction, assisting SMUD in achieving the 2030 ZCP.	1/30/2021	1/30/2026	2
Electric Transportation	107	V2G Commercial Expansion	This project will build off the electric school bus project with Twin Rivers Unified School District. We will demonstrate and test Automated Load Management, Managed Charging, and Vehicle to Grid functionality with electric school buses and other capable EVs.	Reduce grid impacts, reduced customer infrastructure build-out cost, wholesale energy or capacity cost avoidance, and mirror characteristics of stationary storage using V2G.	1/1/2022	12/30/2024	All

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Electric Transportation	97	ChargeReady Community	In early 2022, SMUD was awarded the CEC's <i>Reliable, Equitable, and Accessible Charging for multi-family Housing</i> (REACH) grant (GFO-21-603) to deploy charging infrastructure to multi-family housing units (MFHs) in underserved communities. The main goal of the project is to develop a technical and business model to inform future deployments and disseminate knowledge in the industry. Project partners include Mutual Housing and the SMAQMD. The project team will install at least 108 Level II handles at up to 11 locations in Sacramento, utilizing SMUD's eFuel program for design and construction.	Help SMUD better understand the challenges and opportunities of deploying EVSEs in multi-unit dwelling in underserved communities, helping SMUD advance the adoption of electric transportation, which contributes to GHG emissions reductions, and promoting equity in transportation.	5/11/2022	6/30/2025	All
Electric Transportation	17	Del Paso Mobility Hub	Help create an e-Mobility hub for different modes of transportation, such as taxis, transportation network company drivers, shared e-bikes, buses, etc. It includes EV charging capability as well as gig cars. The first project in execution is the Del Paso Mobility Hub.	This is a novel project and transportation facility concept. It includes electric and fuel cell vehicles, including an electric shuttle, EV charging, shared vehicles, electric micro-mobility (ebikes and electric scooters) and transportation services.	9/1/2022	2/28/2025	5
Electric Transportation	125	EPRI EVs2Scale2030	The "EVs2Scale2030" initiative is a three-year commitment focused on leveraging the scale of the utility industry to help galvanize and align all market stakeholders as electric vehicles are deployed at scale and as EV goals increasingly target 50% EV market share by 2030. The initiative will focus on what needs to get done over the next 7 years to reach the 2030 goals. EPRI plans to broadly collaborate with utilities, vehicle manufacturers, charging providers, industry experts, trade associations, consumer groups, civil society, federal agencies and labs to support the rapid deployment and charging of millions of electric vehicles – while minimizing grid impacts and enabling critical grid benefits.	Deliverables will include best practice templates and guidelines for various areas in transportation electrification, the nation's most comprehensive and consolidated resource for industry stakeholders, including utilities and state agencies, to vet products and equipment for the deployment of electric vehicle charging and hardware systems, two new software tools:  eRoadMap2030 - an industry-first fleet data collection and analysis that provides the necessary data-backed level of detail to provide utility leaders and regulators data-supported confidence for proactive, focused grid investment needed to meet 2030 electrification goals. GridFAST - A platform-based grid interconnection online data exchange to expedite the sharing of fleet electrification plans and grid capacity between fleet customers and distribution planners.	7/14/2022	12/31/2026	All



**SD-10 Innovation 2024 Board Monitoring Report  
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Electric Transportation	104	Light Duty Fleet V2G	This project will test and demonstrate V2X functionality on campus with a Nissan Leaf and Fermata chargers. In partnership with TEPCO (Tokyo Electric Power Company) we will evaluate the interconnection process, installation requirements, and V2X functionality. Furthermore, we will explore the V2X optimization systems using the simple price API from both Virtual Peaker and Fermata. This demonstration and evaluation will help us discover issues and gain insights into V2X in a very low risk environment. This research will help inform a potential V2X pilot in the future.	Informed deployment of light-duty V2X will reduce grid impacts and customer infrastructure build-out costs. LDV fleet management can also offer wholesale energy or capacity cost avoidance, and mirror characteristics of stationary storage.	1/1/2022	12/31/2024	All
Electric Transportation	22	Residential Managed EV Charging (V1G)	Actively manage residential EV charging times and peak power consumption. Managed EV charging can enable deferral of distribution system upgrades, smooth the duck curve, reduce renewable generation curtailment, and provide import and export arbitrage opportunities.	Benefits include reduction of the financial risks associated with transportation electrification, specifically by mitigating the risk of overloading electrical distribution infrastructure. Another secondary benefit is to better align energy delivery for charging with low-cost energy supply.	10/1/2021	12/31/2025	All
Electric Transportation	24	SMUD-Owned EVSE	Operation and maintenance of SMUD's public level 2 and DCFC charging stations.	Increase EV adoption by having publicly available working charging stations in high trafficked areas.	1/1/2014	12/31/2027	All
Electric Transportation	20	Twin Rivers Commercial Managed Charging (V1G, V2G)	Incorporate electric school buses and light duty vehicles to evaluate the effectiveness of managed charging and vehicle-to-grid capabilities to balance impacts on customer and utility electrical distribution and create value through grid services.	V1G findings will support smart charging applications which can mitigate customer charging costs and support grid management and deferred infrastructure upgrades. Reduce grid impacts, reduced customer infrastructure build-out cost, wholesale energy or capacity cost avoidance, and mirror characteristics of stationary storage using V2G.	1/30/2021	9/30/2024	5
Energy Storage	119	ESS Energy Center Flow Battery R&D	Project will deploy 29 ESS Energy Centers at Hedge Solar Farm. These centers will be 3.55 MW/28.4 MWh of long duration energy storage. The project will test the reliability and uptimes for comparison of LDES and Lithium-Ion batteries.	This field demonstration will test the reliability and technical parameters of the ESS long duration flow batteries in comparison to lithium-ion batteries as well as the ability to scale up to larger installations of 200MW.	5/1/2023	7/1/2027	3
Energy Storage	122	Hedge 4 MW/8MWh Monitoring and Maintenance	Operation of a 4 MW / 8 MWh utility-scale storage battery to test different operational modes and grid interactions.	The operation and testing of the Hedge Lithium-ion battery will inform the installation and direction of SMUD's future battery projects as they ramp up to meet the 2030 plan of ~3000MW of renewables and storage.	1/20/2024	1/19/2029	3

**SD-10 Innovation 2024 Board Monitoring Report  
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Energy Storage	5	Residential Energy Storage Programs	Continuation of Residential BTM energy storage systems including Commitment to Operate, Smart Energy Optimizer, and PowerMinder. Study of these systems will answer research questions regarding how customers respond to dispatch models, what communication standards could promote battery manufacturer relationships and data communication quality.	Residential BTM energy storage are customer-facing innovations that will provide resilience and system benefits to customers and SMUD alike. This work will inform future pilots including Multi-DER and Capacity Contracts VPPs.	1/1/2021	12/31/2023	All
Energy Storage	6	Hedge Utility-Scale Battery	Deployment and operation of a 4 MW / 8 MWh utility-scale storage battery to test different operational modes and grid interactions.	The Hedge Battery supports the StorageShares program and SMUD's goal of adding 1,100 MWs of battery capacity in the coming decade. Proximity to the Sacramento Power Academy training facility will foster opportunities for workforce development in battery storage operations.	3/1/2019	6/30/2024	3
Generation and Sequestration	124	TC Biomass to Hydrogen Production and Delivery Facility Site Evaluation	Mote in collaboration with SMUD was awarded \$500k by the CA Department of Conservation Forest Biomass to Carbon-Negative Biofuels Pilot Program. The project motivation has the end goal of using waste biomass from clearing the UARP transmission corridor for Thermochemical conversion to hydrogen. This grant project will focus on candidate site selection, pre-construction project validation and engineering, community benefits plan, and begin Front-End Engineering Design (FEED) for consideration as a potential project for development.	This project provided insight that the high cost of building a facility to produce green hydrogen would need to heavily depend on grant funding to get close to an acceptable return on investment.	1/1/2023	12/31/2023	All
Generation and Sequestration	34	Dairy Digesters eRIN Applications	Develop and submit the biogas-to-electricity pathway applications for Van Steyn, Van Warmerdam and New Hope dairy digesters under the Renewable Fuel Standard (RFS) for electricity Renewable Identification Number (eRIN) credits, generated when electricity produced from dairy digester biogas is used to charge electric vehicles in SMUD service territory.	The use of eRIN credits could unlock \$0.12/kWh to \$0.33/kWh of electricity generated for electric vehicle charging. This legal and financial innovation offer sound investment into biofuels production and carbon-negative transportation for electric vehicles.	1/1/2021	12/31/2023	7
Generation and Sequestration	77	NET Power - Allam Fetvedt Cycle (Super Critical CO2 Cycle) Study	Participation in the EPRI SDF which will perform research on the Allam Fetvedt Cycle for supercritical carbon capture. The project will yield a technology assessment, value proposition, and analysis of SMUD-focused applications.	Key information provided by this project helped SMUD determine that the Allam-Fetvedt Cycle is not ready for commercial investment and deployment.	4/28/2021	12/31/2023	All

**SD-10 Innovation 2024 Board Monitoring Report  
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Grid Evolution	45	Transmission Line Monitoring	Test the achievability and usability of Dynamic Line Ratings (DLR) to inform short-term operational and long-term planning decisions, using the LineVision V3 monitoring system.	Increases efficiency of transmission asset utilization while maintaining reliability. Advanced line rating methodologies can result in cost savings and operational benefits. It was determined that with optimal usage of the DLR system there is value well in excess of the cost of the system. It was decided that further exploration was needed with a follow on project headed by PSO to determine how much of that value we can actually capture.	4/22/2021	12/31/2023	All
Load Flexibility	69	EnergyKit HEMS field demo	Ynventive, CLTC, Panasonic and SMUD have partnered to install the EnergyKit home energy management system into eight residential homes and evaluate it's performance managing residential loads in response to price signals and demand thresholds.	Assuming the EnergyKit EMS performs as expected, it could enable customers to reliably shift their loads due to price signals and provide an alternative to panel upgrades for capacity constrained customers interested in electrification.	4/30/2021	12/31/2024	All
Load Flexibility	89	Smart Inverters	This project will test smart inverter connection via two pathways: direct connection and through vendors/aggregators. Direct connection will assist in development of the DERMS, while the vendor/aggregator pathway leverage OEM and aggregator relationships to establish pilot access agreements to a broader range of smart inverters.	Smart inverters are new technology that allows SMUD to monitor residential PV and storage and provides control functionality to assist in grid support. Ensuring that IEEE 2030.5-CSIP is a reliable communication protocol will help open up this communications pathway for many devices.	7/1/2021	12/31/2024	All
Innovation	118	EPRI Global Innovation Effectiveness Assessment	This assessment revealed a depressed internal perspective of SMUD's innovation effectiveness, which is being interpreted in two parts: first, the rate at which SMUD has adopted innovation into business as usual has raised the bar for what staff consider innovative, and two, the positive results of innovative processes such as the enterprise prioritization process had not yet been realized at the staff level by the time surveys and interviews were conducted.	The benefit of this assessment is to leverage insights from this assessment to enhance our innovation outcomes and ultimately deliver more customer and stakeholder value.	11/10/2022	12/31/2023	All

**Table 3: Enterprise-Wide Initiatives**

Initiative Name	Initiative Description	Initiative Benefits	Start Date	End Date	Ward
DERMS	Strategic business partnership with OSI to develop a Distributed Energy Resource Management System whereas SCADA and behind the meter resources can be used to solve distribution constraints, participate in the market, and manage flexible loads.	Leverage DER capabilities to meet economic objectives, peak load reduction, local constraint issues, deferred infrastructure investment, and grid optimization. As OSI's partner, SMUD shares revenue from future sales.	2018	2028	All

RESOLUTION NO. \_\_\_\_\_

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-10, Innovation**, substantially in the form set forth in **Attachment \_\_\_\_** hereto and made a part hereof.



SSS No.  ZCES 24-010
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## BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date Policy – 10/09/24
Board Meeting Date October 17, 2024

TO		TO	
1.	Lora Anguay	6.	
2.	Claire Rogers	7.	
3.	Farres Everly	8.	
4.	Suresh Kotha	9.	<b>Legal</b>
5.	Brandy Bolden	10.	<b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) James Frasher	DEPARTMENT New Business Development	MAIL STOP 6082	EXT. 6082	DATE SENT 9/25/2024
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**NARRATIVE:**

**Requested Action:** Accept the monitoring report for **Strategic Direction SD-19, Diversified Business.**

**Summary:** The purpose of this meeting is to facilitate a discussion with the SMUD Board of Directors on Strategic Direction SD-19, Diversified Business. The presentation will briefly summarize SMUD’s technology partnerships, community choice aggregator services and grant initiatives.

**Board Policy:** Strategic Direction SD-19, Diversified Business.  
*(Number & Title)*

**Benefits:** The Zero Carbon Plan requires the development of New Technology and Business Models to be successful. The guidance from SD-19 encourages consideration of partnerships and business models to help accelerate solutions, programs and technologies that are near market ready to transition to full commercialization. Collaboration with technology and industry partners creates mutual benefits for both SMUD and partners. SMUD’s industry leading Zero Carbon Vision allows technology and solutions to be quickly evaluated in real-world conditions. Early collaboration with technology partners can provide long-term benefits through preferred technology pricing at scale, revenue growth and improved access to technology in a supply chain constrained environment.

**Cost/Budgeted:** Contained within internal labor budget.

**Alternatives:** Provide information via written report through the Chief Executive Officer and General Manager.

**Affected Parties:** SMUD Customers, SMUD employees, peer utilities, community partners and technology developers.

**Coordination:** Evaluation of Diversified Business initiatives are cross cutting across the entire enterprise.

**Presenter:** James Frasher, Director, Research & Development, Grants & Partnerships

<b>Additional Links:</b>
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SUBJECT <b>SD-19, Diversified Business Board Monitoring Report</b>	ITEM NO. (FOR LEGAL USE ONLY) <b>8</b>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** September 25, 2024

**FROM:** Claire Rogers *CR 9/25/24*

**SUBJECT: Audit Report No. 28007754  
Board Monitoring Report; SD-19: Diversified Business**

Internal Audit Services (IAS) received the SD-19 *Diversified Business* 2023 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

**CC:**

Paul Lau



## Board Monitoring Report 2023 SD-19, Diversified Business

### 1) Background

Strategic Direction SD-19 states that:

Broadening and diversifying the products and services that SMUD offers is a key value. The desired results are to: a) generate new revenues that contribute to SMUD's long-term financial health; b) spur the creation of innovative products and services; c) capture the value of SMUD's brand and intellectual property; d) better leverage and optimize SMUD's assets; and e) enable SMUD to continue to attract and retain a talented workforce.

Therefore:

- a) SMUD shall broaden and diversify its lines of business, which may include:
  - i. Being an external service provider;
  - ii. Expanding wholesale energy market opportunities;
  - iii. Capitalizing on intellectual property and assets to develop products and services either solely or through strategic partnerships;
  - iv. Selling products and services aligned with SMUD's purpose and Strategic Directions.
- b) SMUD shall ensure any new lines of business:
  - i. Benefit SMUD's customers and our community;
  - ii. Achieve a balanced, diversified portfolio of rewards and risks;
  - iii. Create economic value without compromising SMUD's financial health;
  - iv. Do not pose unreasonable risk to SMUD's reputation;
  - v. Align with, leverage, and optimize SMUD's strengths, assets and expertise;
  - vi. Position SMUD for the future.

### 2) Executive Summary

- a) The 2030 Zero Carbon Plan has positioned SMUD as a leader in the utility industry. The Diversified Business portfolio utilizes that leadership position to build revenue generating partnerships with technology developers, pursue external funding (grants) to support innovation and partnership, enable technology solutions to become fully commercialized through real world pilots and demonstrations, and expand regional access to green careers.
- b) **SMUD is in compliance with SD-19, Diversified Business.**
- c) Eliminating the final 10% of emissions from SMUDs energy supply requires the development of new technology and business models. External funding



allows SMUD to accelerate the pursuit of partnerships and emerging technologies that are necessary to reach zero emissions. Without external funding many these pursuits could become cost prohibitive.

External Funding (2023)

Estimated Total SMUD Project Costs	Funds Awarded to SMUD	SMUD Cost Share
\$153,851,970	\$58,534,905	\$95,317,065

Grant funding also supports workforce development and training initiatives that help develop a talented workforce with the skills necessary to support building and maintaining a zero-carbon economy.

SMUD also supports regional partners and peers to pursue grants and other external funds that benefit the region. These funds support economic development for the region, innovation and decarbonization. In 2023, SMUD worked with Calpine to secure \$270,000,000 in grant funding to deploy carbon capture and sequestration technology at the Sutter Power Plant.

- d) Partnership benefits to SMUD may include revenue sharing agreements, intellectual property development, future pricing commitments, service-based payments and/or partner commitments to regional investment. Partners benefit from SMUDs zero carbon leadership, subject matter expertise and collaboration on real world pilots and full-scale demonstrations.

Strategic Partners and Revenue Generating Relationships

Partner	Area of Focus
AspenTech (Formerly Open Systems International, Inc.)	ADMS / DERMS
ESS Inc.	Long Duration Energy Storage
Swell Energy	Virtual Power Plant Aggregator
California Mobility Center	Mobility Innovation and Workforce Development
GridX	Data analytics and customer information platform
Simple Energy (Uplight)	Customer engagement and load flexibility
Smart Energy Water (SEW)	Customer Experience Platform Development
Community Choice Aggregators	Operational support and consulting services

## Portfolio Revenue

2023 Gross Revenue*	2023 Costs	2023 Net Revenue
\$16,065,179	\$11,926,027	\$4,139,152

\*Partnership revenue may include revenue sharing agreements, intellectual property royalties, and/or service-based payments. Future product discounts, stock warrant value, and other unrealized benefits are not accounted for as revenue.

### 3) Additional Supporting Information

a) Additional funding

Funding is most often pursued through grants; however this category is not limited to grants. SMUD considers foundation funding, disaster recovery funds, state and federal funding allocations and other sources of funding in this category. Descriptions of 2023 funding are listed in Appendix A.

b) Community Choice Aggregator Services

SMUD currently provides 11 specific services to seven (7) community choice aggregators representing 2.6M meters. SMUD has, on average, added approximately one new CCA client and one new service launch per year. Specific details on these CCA's are listed in Appendix B.

c) Technology and Industry Partners

Diversified business is often an outcome of technology and industry partnerships. These relationships often build on the successes of individual pilots, projects, or other innovation initiatives. Specific details of projects and innovation are outlined in the SD-10, Innovation monitoring report. Additional strategic partnership details are included in Appendix C of this report.

### 4) Challenges

- a) The Inflation Reduction Act along with other economic drivers continues to create an environment with significant opportunities to pursue external funding. These funding opportunities have become very high profile and as a result are becoming even more competitive. An emerging trend for larger funding opportunities is to issue awards to large coalitions of applicants or to state led initiatives rather than individual entities. SMUD often participates in these coalition applications. These larger coalitions increase the

competitiveness of applications but can also reduce the impact of those dollars for SMUD specifically and can slow the deployment of grant funding.

- b) SMUD's leadership position in pushing towards zero carbon has created a significant number of potential opportunities and partnerships to consider. The prevalence of funding opportunities and the volume of companies with a desire to work with SMUD create challenges in filtering through the volume of opportunities in pursuit of the best opportunities. Strategic partnerships are often made more complex because they often involve technologies that are not fully commercialized or market ready. This combination of technology maturity and the broad scope of funding opportunities means that SMUD must be highly selective in choosing who to partner with and which funding opportunities to pursue. Developing the correct portfolio of grants and partnerships is critical to meeting the goal and intent of SD-19. Pursuing too many initiatives in parallel can result in a lack of support on the most important areas of focus. Additionally, it is critical that the efforts pursued have strong alignment with each other and the overall zero carbon plan.
- c) Zero Carbon by 2030 is a critical and aggressive timeline. As SMUD evaluates grants, partnerships and new business opportunities, it must be done in the context of achieving zero carbon by 2030. This timeline constraint must be considered when looking at the technology and commercial readiness levels of companies SMUD is considering partnering with. Similarly, grants and other external funds that have timelines that extend beyond 2030 may lack alignment with the 2030 Zero Carbon Plan. Pursuit of diversified business to help achieve zero carbon is a priority, but this pursuit will extend beyond 2030.

## **5) Recommendation**

It is recommended that the Board accept the Fiscal Year 2023 Monitoring Report for SD-19, Diversified Business.

## APPENDIX A

### External Funding Descriptions

#### 1. GRIP 2023 (Topic Area 2-Smart Grid) Grant

**Project Name:** Connected CleanPower City

**Funding Awarded:** \$50,000,000

Connected CleanPower City will adapt infrastructure to interact with technology and customers at the grid's edge, establishing visibility, management, and control. This ecosystem, created through grid and technology enhancements, combined with an existing Advanced Distribution Management System (ADMS), will enable real-time grid management of proliferating Distributed Energy Resources (DERs), the accelerated adoption of electric vehicles (EVs) and vehicle-to-everything (V2X), intelligent buildings, virtual power plants (VPP), battery storage, and electrified neighborhoods. To manage these assets, SMUD is accelerating the integration of Distributed Intelligence (DI) at the Grid Edge, an enhanced Distributed Energy Resource Management System (DERMS), and an advanced Outage Management System (OMS) to maintain and improve grid resiliency.

Connected CleanPower City's next-generation smart grid will address the regional need for resilient, reliable grid service that is hardened for and supports the clean energy transition within SMUD and other utilities' service areas. This new intelligent ecosystem replicates effective grid management at small to large utilities with dispersed Tribal partners in rural and urban communities. The Project includes multiple elements to provide an ecosystem of intelligence that will manage the grid more effectively than the traditional top-down methodology of visibility and control.

#### 2. FAST Grant

**Project name:** *SACommunity EV Hubs*

**Funding Awarded:** \$2,812,421

Sacramento Municipal Utility District (SMUD), in partnership with Sacramento International Airport (SMF), Sacramento Valley Station (SVS), California State University, Sacramento (CSUS), ChargerHelp! (CH!), and AECOM, proposed the deployment of Direct Current Fast Charging stations (DCFCs) at three locations in Sacramento, enabling increased access to electric vehicle (EV) charging for ride-share drivers, food delivery drivers, rental car fleets, shared mobility services, and residents. The project will support the deployment of three fast charging hubs, with a total of 15 stations and 30 ports, strategically located in optimum locations with high on-demand transportation volume, near multi-family housing properties, and with quick and easy access to main transportation corridors. SMUD will develop a mobile app, integrated with an e-Roaming platform, to enable convenient access to locate chargers, activate

sessions, and pay for charging across multiple charging networks through a single account. Development of this single public charging interface will allow users to find, compare, and use multiple public charging options, without having to create and manage multiple proprietary apps. Development of this app and use of the e-Roaming platform will also allow SMUD to offer discounts and special rates to on-demand drivers and other target customer groups. SMUD's *SACommunity EV Hubs* project will support the Sacramento region's access to charging infrastructure for high mileage on-demand transportation services and the public. *SACommunity EV Hubs* will deploy a model that transitions charging in high-traffic communities from a constrained amenity to accessible infrastructure. These plazas will enhance access to public charging while attracting service drivers with affordable rates and shared infrastructure to ease their financial burden.

### **3. REACH 2.0 Grant**

**Project Name:** SMUD Multifamily EV Charging Community

**Funding Awarded:** \$5,000,000

Sacramento Municipal Utility District (SMUD), in partnership with the Sacramento Metropolitan Air Quality Management District (SMAQMD), Uber, and dozens of Sacramento area property owners, managers, and developers, has been awarded funding to deploy and demonstrate a replicable and scalable approach to delivering affordable electric vehicle (EV) charging for multifamily homes (MFH). SMUD Multifamily EV Charging Community proposes to deploy over 400 AC chargers at 26 multifamily (MF) residential and MF-adjacent locations across Sacramento, with 92% of sites located within disadvantaged, low-income, or affordable housing communities.

The SMUD Multifamily EV Charging Community project increases regional at-home EV charging access while testing and validating a scalable, replicable business case and promising technology solutions to catalyze the deployment of level 1 and 2 electric vehicle service equipment (EVSE) at and near MFH. The project proposes to deploy best-fit design and engineering solutions at each site, combined with a newly developed SMUD EV app featuring an integrated e-Roaming platform to offer novel rate designs through member charging networks. The project will also leverage existing programs and organizational resources to prepare for scale. The combination will deliver an equitable, streamlined, high-quality, and cost-effective charging experience.

### **4. FEMA Local Hazard Mitigation Plan Update Grant**

**Funding Awarded:** \$174,565

The FEMA Local Hazard Mitigation Plan Update Grant is a formula funding grant that offsets SMUDs costs associated with updating the local hazard mitigation plan. This plan, updated every 5 years, enables SMUD to apply for FEMA funds.

## **5. DOE Hydro Incentive Program**

**Funding Awarded:** \$210,002

The Department of Energy Hydroelectric Power Incentive is a formula fund directly tied to the amount of power generated in the UARP, for hydro facilities built after 2005. SMUD's South Fork Power House qualifies for funding under this program.

## **6. Department of Industrial Relations (DIR) Apprenticeship Incentive Program**

**Funding Awarded:** \$337,917

The Apprentice Incentive Program provides funding to support workforce training at SMUDs Power Academy. These funds reimburse costs of staff, services, and qualified equipment supporting the Power Academy apprentice training program. Some applications of these funds are hiring events including electrical trade focused events and pole climbing hiring events, on-site medical services during training events, CPR training, and curriculum development.

## APPENDIX B

### Community Choice Aggregator Detail

SMUD currently provides 11 services to seven (7) community choice aggregators representing 2.6M meters. We've averaged approximately one new CCA client and one new service launch per year. There are 24 operational CCAs in California representing 14M customers or about 36% of California. SMUD continues to invest in new CCA business activities.

Customer Care and Operations	Data and Insights	Engagement and Branding
<ul style="list-style-type: none"> <li>• Contact Center</li> <li>• Billing</li> <li>• Debt Collections</li> <li>• CRM Systems</li> </ul>	<ul style="list-style-type: none"> <li>• Data Management</li> <li>• Market Research</li> <li>• Data Analytics</li> <li>• Custom Reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Programs</li> <li>• Electrification Concierge</li> <li>• Marketing</li> </ul>

### Community Choice Aggregator Detail

Community Choice Aggregation. In 2002, Assembly Bill 117 was passed to establish Community Choice Aggregation in the State by authorizing Community Choice Aggregators (“CCAs”) to aggregate customer electric load and purchase electricity for customers. SMUD sees the growth of CCAs as an opportunity to support organizations with values closely aligned with SMUD’s values, while also generating additional revenue for SMUD. CCA programs are proliferating in the State thanks to support for expanding renewable energy use and desire for local control particularly for electricity procurement. There are numerous CCAs operating in the State, and more are anticipated to launch in the future. CCAs are responsible for procuring wholesale power, setting the generation rate, and staffing a call center to handle opt-outs and questions about the power portfolio. The local investor-owned utility (“IOU”) continues to deliver electricity from the electric grid, maintain its electric infrastructure, bill customers and collect payments.

In October 2017, SMUD contracted with Valley Clean Energy (“VCE”). VCE is a joint powers agency formed in 2016 by the City of Woodland, the City of Davis and Yolo County to implement a local CCA program. The service territory expanded to include the City of Winters in 2021.

In February 2018, SMUD contracted with Ava Community Energy (“Ava” formerly East Bay Community Energy). Ava is a joint powers agency formed in 2016 by the cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, Piedmont, San Leandro and Union City in Alameda County to implement a local CCA

program. Ava expanded its territory to the cities of Pleasanton, Newark, and Tracy in April 2021. An expansion of Stockton is planned for 2025.

In June 2019, SMUD contracted with Silicon Valley Clean Energy (“SVCE”). SVCE is a joint powers agency formed in 2016 by the cities of Campbell, Cupertino, Gilroy, Lost Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale and Unincorporated Santa Clara County to implement a local CCA program.

In October 2022, SMUD contracted with Marin Clean Energy (“MCE”). MCE is a joint powers agency formed in 2010 and represents 37 member communities across four Bay Area counties: Contra Costa, Marin, Napa and Solano.

In December 2022, SMUD contracted with Sonoma Clean Power (“SCP”). SCP is a joint powers agency that serves Sonoma and Mendocino counties.

In May 2024, SMUD contracted with Central Coast Community Energy (“3CE”). 3CE is a joint powers agency representing County of Monterey, County of San Benito, County of Santa Cruz, County of Santa Barbara, Arroyo Grande, Buellton, Capitola, Carmel, Carpinteria, Del Rey Oaks, Goleta, Gonzales, Greenfield, Grover Beach, Guadalupe, Hollister, Marina, Monterey, Morro Bay, Pacific Grove, Paso Robles, Pismo Beach, Salinas, Sand City, San Juan Bautista, San Luis Obispo, Santa Cruz, Santa Maria, Scotts Valley, Seaside, Soledad, Solvang, and Watsonville. Atascadero and unincorporated San Luis Obispo County are anticipated to begin service in January 2025

In August 2024, SMUD contracted with San Jose Clean Energy (“SJCE”). SJCE is a joint powers agency that serves San Jose.



## Appendix C

### Partner List and Description

- 1) **AspenTech (AZPN) (Formerly: Open System International, Inc.):** Strategic technology partnership to implement and deploy an industry-leading Distributed Energy Resource Management System (DERMS). SMUD will receive royalties from future sales of the enhanced product suite for DERMS. DERMS Phase 1 and ADMS development is complete, implemented Q3 2022. DERMS Phase 2 development and building the QA DERMS test system is complete. DERMS Phase 3 design completed, continuing development of the core DERMS system functionality. SolarEdge and Virtual Peaker are continuing to integrate their systems into DERMS. DERMS Phase 2 and 3 are planned to go-live together September 2024.

OSI Inc. was bought by Emerson for \$1.6 billion in an all-cash transaction on October 1, 2020. The acquisition added to Emerson's existing \$1 billion standalone software and associated engineering implementation services portfolio. Then in May 2022, Emerson combined its industrial software businesses – OSI Inc. and its Geological Simulation Software business – with AspenTech to create a global industrial software leader. Shares of new AspenTech will began trading on NASDAQ under the ticker symbol "AZPN" in May 2022. The AspenTech partnership continues to contribute revenue to the portfolio.

- 2) **ESS Inc.:** ESS is a long duration energy storage system developer whose technology is based on earth-abundant iron, salt and water to deliver environmentally safe solutions capable of providing up to 12 hours of flexible energy capacity for commercial and utility-scale energy storage applications. Established in 2011, ESS Inc. enables project developers, independent power producers, utilities and other large energy users to deploy reliable, sustainable long-duration energy storage solutions.

SMUD and ESS established a joint collaboration agreement in 2022 to provide up to 200 megawatts (MW) / 2 gigawatt-hours (GWh) of ESS' environmentally safe and sustainable long duration energy storage solutions.

The agreement calls for ESS to deliver a mix of its Energy Warehouse™ and Energy Center™ long-duration energy storage (LDES) solutions for integration with the SMUD electric grid beginning in 2023. SMUD will deploy the LDES systems in support of its 2030 Zero Carbon Plan which aims to reduce thermal generation, maximize local solar generation, provide neighborhood resiliency, and increase social justice and equity. LDES is a key component in SMUD's decarbonization plan, without compromising reliability or low electricity rates.

As part of this multi-year agreement, ESS intends to set up facilities for battery system assembly, operations and maintenance support and project delivery in Sacramento, creating local, high paying jobs. In addition, SMUD and ESS plan to establish a Center of Excellence to expand the workforce and knowledge base for LDES technology in partnership with higher education institutions. The Center will provide advanced LDES technical training, creating a statewide skilled talent pool to help build and maintain

California's fast-growing long-duration energy storage resources. In 2023, SMUD installed and commissioned 6 Iron-flow LDES batteries as part of its partnership with ESS. The product installed was the Energy Warehouses by ESS. Each Energy Warehouse is packaged in a standard 40' shipping cargo container modified to house the electrolyte tanks, cell stack, and ancillary equipment such as pumps and electronics. The combined capacity of these units in total is 450 kW with energy storage capacity of about 3 MWh. In the future, when ESS has completed design of their Energy Center product with higher energy density, an additional 3.6 MW and 27 MWh are planned to be installed as part of this partnership.

- 3) **Swell Energy:** Swell is an aggregator of distributed energy storage technologies. Swell has partnered with SMUD to act as the aggregator for the My Energy Optimizer Partner+ program – a residential customer-driven virtual power plant initiative. The initial effort will bring 20 MWh and 10 MW of renewable capacity to SMUD by recruiting, installing and aggregating capacity from customers' battery storage systems located in SMUD's service area. The program has the opportunity to scale to 54 MWh and 27 MW over the term of the partnership. As of this writing, Swell Energy has filed for bankruptcy and SMUD is looking for a replacement partner.
- 4) **California Mobility Center (CMC):** The CMC is working to create a regional technology HUB that focuses on advancing mobility related technologies and the workforce needed to support them. The CMC works with many regional partners including SMUD to pursue mobility related grants, engage with technology companies interested in the Sacramento area, identify workforce needs to facilitate transformation of the mobility industry and provide community workforce development opportunities.

In 2023 the CMC launched workforce development curriculum focused on green careers and forklift operations. Curriculum development is also underway for EVSE service training programs and battery manufacturing training. As of this writing the CMC reported having trained over 350 individuals and helped place more than 30 individuals into new careers.

- 5) **GridX:** SMUD and GridX have partnered to pilot and demonstrate GridX technology. These pilots provide a mutual benefit for SMUD and GridX. SMUD customers benefit from GridX data analytics to help inform their energy decisions. Additionally, when these pilots support GridX to expand their services to additional clients some of that revenue is shared with SMUD to support long term affordability. The pilot work and partnership with GridX concluded in 2023.
- 6) **Simple Energy (Uplight):** Simple Energy has partnered with SMUD to operate the SMUD Energy Store. This partnership is a revenue sharing agreement that benefits directly from sales on the Energy Store site. SMUD Energy Store, available at [smudenergystore.com](http://smudenergystore.com), offers a variety of smart thermostats, connected home products, EV chargers, lighting products and water-saving products. Many items come with instant online rebates, significantly reducing the out-of-pocket prices of products such

as NEST learning thermostats and Phillips LED bulbs. Our partnership with Simple Energy (Uplight) has been highly collaborative, resulting in a strong and productive relationship. The health of our program is robust, with consistent progress and successful outcomes, thanks to our effective collaboration. This includes a 4% revenue share on Gross Merchandise Value, Second Nature Air Filter partner revenue share, and City of Sacramento water rebates program administration

Several new product additions were added in 2023, including an expanded EV charger, smart thermostat, smart home, lighting and water savings product offerings. Other offerings include home weatherization kits and air purifiers. We added the CleanPower City Champion 'Join the Pledge' to the store and checkout flow as well as an integrated bundled EV charger purchase + Qmerit installation experience. We enhanced segmented rebate functionality to offer increased instant rebates to validated EAPR customers, participated in Customer Resource Expo to educate customer about the SMUD Energy Store and implemented Spanish customer support + Spanish contact/FAQ. Lastly, we enhanced automation of My Energy Optimizer eligibility check and updated our marketing review process in collaboration with the vendor.

- 7) **Smart Energy Systems, Inc. dba Smart Energy Water (SEW):** SEW is a digital platform developer dedicated to solving global energy and water crises. SMUD and SEW are Co-developing innovative utility centric communication tools such as, customer facing self-service modules, payment processing, prepay, eMobility, and advanced analytics for grid resilience. These tools support SMUD in our zero-carbon journey and may generate future shared revenue if the tools are adopted by other utilities. In 2023, SMUD collaborated with SEW to complete the development of a Minimum Viable Product (MVP) for SEW's Smart Customer Mobile Platform which included it's Enterprise (commercial) persona. This platform standup set the foundation for SEW and SMUD to co-develop innovative utility centric communication tools such as, customer facing self-service modules, payment processing, prepay, eMobility, and advanced analytics for grid resilience. These tools support SMUD in our zero-carbon journey and may generate future shared revenue or platform licensing offsets if the tools are adopted by other utilities. As we are standing up the SEW platform, revenue or licensing offsets have not yet materialized. In 2024, efforts are underway for a more solidified revenue share addendum to the SMUD and SEW Joint Collaboration Agreement (JCA).

**DRAFT**

RESOLUTION NO. \_\_\_\_\_

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-19, Diversified Business**, substantially in the form set forth in **Attachment \_\_\_\_** hereto and made a part hereof.



SSS No. LEG 2024-0125

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Policy – 10/09/24
Board Meeting Date October 17, 2024

TO	TO
1. Scott Martin	6.
2. Farres Everly	7.
3. Brandy Bolden	8.
4. Suresh Kotha	9. <b>Legal</b>
5.	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<b>Yes</b>		<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>		<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR)				DEPARTMENT					MAIL STOP	EXT.	DATE SENT
Laura Lewis				Executive Office					B308	6123	09/24/24

**NARRATIVE:**

**Requested Action:** Discuss, with possible amendment, proposed revisions to **Governance Process GP-15, Board Travel and Training Reimbursement.**

**Summary:** Pursuant to Governance Process GP-15, Board Travel and Training Reimbursement (GP-15), the budget for Board member travel and training is annually adjusted for inflation using the publicly available Travel Price Index (TPI). In recent months, access to certain of the TPI information now requires an annual subscription that is quite costly. Staff recommends a revision to the policy language to reflect that the budget will be annually adjusted for inflation but allows for the flexibility to use other reliable data to process the increase in the event the TPI data typically used is unavailable at the time needed due to the subscription model. Although TPI data is publicly posted, the schedule for which it is made available is inconsistent and unpredictable. Proposed revisions are attached in “redline” and “clean” format.

**Board Policy:** Governance Process GP-1, Purpose of Board – Subsection a) Identify and define the purpose, values and vision of SMUD and communicate them in the form of policy.  
*(Number & Title)*

**Benefits:** Enables the Board to review the policy with the opportunity to make corrections, additions, or changes if necessary.

**Cost/Budgeted:** N/A

**Alternatives:** Maintain the existing policy; approve different revisions; table discussion for another date.

**Affected Parties:** Board of Directors

**Coordination:** Board Office, Executive Office, Finance & Strategy, and Legal

**Presenter:** Jennifer Restivo, Director, Planning & Revenue Strategy

**Additional Links:**

<b>SUBJECT</b> <b>Proposed Revisions to</b> <b>Governance Process GP-15, Board Travel and Training Reimbursement</b>	<b>ITEM NO. (FOR LEGAL USE ONLY)</b> <span style="font-size: 24pt; color: blue; font-weight: bold;">9</span>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SMUD BOARD POLICY



**Category:** Governance Process  
**Policy No.:** GP-15  
**Title:** Board Travel and Training Reimbursement

Board members shall have the opportunity to attend conferences, meetings, training, and various activities that are appropriate to their work as Directors and provide value to SMUD.

As part of this policy:

- a) Each Board member shall have an annual budget for travel and training, which shall be adjusted annually for inflation ~~based on the Travel Price Index (July-June)~~ and rounded to the nearest hundred dollars. The training budget shall include funds for attendance at community functions and baseline dues in organizations that further Board members' professional development, when accompanied by written justification.
- b) The Board shall approve its travel and training budget as part of the annual budget process. Budgeted travel and training funds shall expire at the end of each calendar year with no rollover option.
- c) The Board travel and training budget shall be managed by the Special Assistant to the Board as part of the Board Office budget.
- d) Requests for travel, training and events in excess of \$1,000 shall be accompanied by a written justification of the benefits to SMUD and consistency with Board policy and submitted to the Board Special Assistant.
- e) Written travel and training justifications required by sections a) and d) of this policy, along with a status report on the Board's travel and training budget and individual directors' expenditures, shall be distributed to all Board members monthly for the purposes of transparency and oversight.
- f) Board members shall submit all relevant travel and training receipts to Board Office staff within two weeks for reconciliation.
- g) Board members shall publicly report the results of their travel and training at a Board meeting.
- h) New Board members shall receive an orientation in the Board's travel and training policy.

**Monitoring Method:** Board Report

**Frequency:** Annual

**Versioning:**

November 13, 2008	Resolution No. 08-11-07	Date of Adoption. (Effective Date = January 1, 2009)
August 20, 2009	Resolution No. 09-08-15	Date of Revision.
October 6, 2011	Resolution No. 11-10-02	Date of Revision.
December 1, 2016	Resolution No. 16-12-03	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
February 15, 2024	Resolution No. 24-02-04	Date of Revision.
June 20, 2024	Resolution No. 24-06-08	Date of Revision. <del>[Current Policy]</del>
<u>October 17, 2024</u>	<u>Resolution No. 24-10-##</u>	<u>Date of Revision. [Current Policy]</u>

# SMUD BOARD POLICY



**Category:** Governance Process  
**Policy No.:** GP-15  
**Title:** Board Travel and Training Reimbursement

Board members shall have the opportunity to attend conferences, meetings, training, and various activities that are appropriate to their work as Directors and provide value to SMUD.

As part of this policy:

- a) Each Board member shall have an annual budget for travel and training, which shall be adjusted annually for inflation and rounded to the nearest hundred dollars. The training budget shall include funds for attendance at community functions and baseline dues in organizations that further Board members' professional development, when accompanied by written justification.
- b) The Board shall approve its travel and training budget as part of the annual budget process. Budgeted travel and training funds shall expire at the end of each calendar year with no rollover option.
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**Monitoring Method:** Board Report

**Frequency:** Annual

**Versioning:**

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February 15, 2024	Resolution No. 24-02-04	Date of Revision.
June 20, 2024	Resolution No. 24-06-08	Date of Revision.
October 17, 2024	Resolution No. 24-10-##	Date of Revision. [Current Policy]



**DRAFT**

RESOLUTION NO. \_\_\_\_\_

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board approves the revisions to the **Governance Process GP-15, Board Travel and Training Reimbursement** substantially in the form as set forth in **Attachment \_\_\_\_**.



SSS No. SCS 24-277

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 10/15/24
Board Meeting Date October 17, 2024

TO	TO
1. Casey Fallon	6. Jose Bodipo-Memba
2. Lucas Raley	7.
3. Frankie McDermott	8.
4. Lora Anguay	9. <b>Legal</b>
5. Scott Martin	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>	X	<b>Yes</b>	<i>No If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	X	<b>Yes</b>	<i>No (If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Katherine Manne	DEPARTMENT Procurement			MAIL STOP EA404	EXT. 6175	DATE SENT 9/18/24	

**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager to negotiate and award contracts to Hot Line Construction, Inc. (Hot Line) and Mountain G Enterprises Inc. (MGE) for General Line Construction and Pole Replacement Services for a period of three years from November 1, 2024, to November 1, 2027, with two optional one-year extensions, for a total not-to-exceed aggregate amount of \$250 million.

**Summary:** Request for Proposals No. Doc4585979980 (RFP) was issued in June 2024 to solicit qualified firms to provide general line construction and pole replacement services. A pre-proposal conference was held on June 26, 2024. On July 18, 2024, 15 proposals were received. An initial evaluation was conducted to assess whether the proposals received, including pricing and other factors, were fair and reasonable. Eight of the 15 proposals were rejected by SMUD in accordance with RFP Section No. 5 – Proposal Evaluation Criteria, as they were found to contain unfair and unreasonable pricing, and/or exceptions to SMUD contractual terms and conditions. Seven proposals were found to be commercially viable and were evaluated in accordance with the advertised criteria. Of the seven proposals received, six were responsive.

SMUD initiated negotiations with top-ranked proposers which resulted in a price reduction of ~1.5% to overall pricing from Hot Line’s proposal, and ~1.4% to overall pricing from MGE’s proposal. The final pricing from Hot Line and MGE is highly competitive, as the final proposal pricing of \$90.7 million and \$95.9 million, respectively, represent significant reductions from the budgeted spend of \$250 million. Coupled with their technical score, this supports the recommendation to award contracts to the two highest rated proposers. Awarding two zero-dollar contracts with an aggregate amount of all tasks not-to-exceed \$250,000,000 for five years gives the business unit flexibility and mitigates the risk of work disruption. The result of the evaluation and award recommendations are shown below.

**Recommendation:** Award the 2 Highest Evaluated Responsive Proposers.

Award to:

Hot Line Construction, Inc.	Mountain G Enterprises Inc.
9020 Brentwood Blvd. Ste. H	950 Iron Point Rd., Ste. 250
Brentwood, CA 94513	Folsom, CA 95630

Proposers Notified by Procurement: 89

Proposers Downloaded: 27

Pre-Proposal Conference Attendance: 15

Proposals Received: 15

Responsive Proposals Received	P/F	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	Evaluated Proposal Amount	Proposed Award Amount
		10	33	57	100				
Hot Line Construction Inc.	P	5.04	31.75	57.00	93.79	1	\$90,713,829.45	\$90,463,829.45	Not-to-Exceed \$250,000,000 Aggregate Amount of all Task Authorizations
Mountain G. Enterprises Inc.	P	5.30	30.25	53.75	89.30	2	\$96,187,667.41	\$95,937,667.41	
Sturgeon Electric California LLC	P	10.00	27.58	41.71	79.30	3	\$123,861,272.41	\$123,611,272.41	
PAR Western Line Contractors, LLC	P	0.33	29.25	45.90	75.48	4	\$112,366,475.79	\$112,329,394.85	
Summit Line Construction	P	7.00	22.25	45.60	74.85	5	\$113,320,941.21	\$113,070,941.21	
Asplundh Construction LLC	P	0.93	29.25	43.84	74.02	6	\$117,740,981.52	\$117,631,482.41	

Non-Responsive Proposals Received	Proposal Amount
Teichert Line Services	\$112,239,130.00

**Comments:** Proposer did not pass Pass/Fail Requirements, Question 6.12.1H.

**Supplier Diversity Program:** Hot Line proposed to self-perform ~88.7% of the work and will subcontract ~10.1% to Supplier Education & Economic Development (SEED) verified subcontractors, and ~1.3% to non-SEED subcontractors. MGE proposed to self-perform ~88.2% of the work, and will subcontract ~10.6% to SEED verified subcontractors, and ~1.2% to non-SEED subcontractors.

**Board Policy:** Board-Staff Linkage BL-8; Delegation to the CEO with Respect to Procurement; Strategic Direction SD-4, Reliability; Strategic Direction SD-6, Safety Leadership; Strategic Direction SD-13, Economic Development.  
(Number & Title)

**Benefits:** Award will provide SMUD with two qualified contractors to execute general line construction and pole replacement services.

**Cost/Budgeted:** \$250,000,000; Budgeted for 2024 through 2029 by Grid Assets.

**Alternatives:** Negotiate current contracts with incumbent contractors for an extended term, and risk less competitive pricing.

**Affected Parties:** Grid Assets, Supply Chain Services, and Contractors.

**Coordination:** Grid Assets and Supply Chain Services.

**Presenter:** Lucas Raley, Director, Line Assets

**Additional Links:**

SUBJECT

**Award General Line Construction & Pole Replacement Services Contracts**

ITEM NO. (FOR LEGAL USE ONLY)

**10**

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, in June 2024, SMUD issued Request for Proposals No. Doc4585979980 (RFP) to solicit qualified contractors to provide general line construction and pole replacement services; and

**WHEREAS**, seven (7) proposals received in response to the RFP were evaluated; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** As a result of such examination, **Hot Line Construction, Inc.** and **Mountain G Enterprises Inc.** are hereby determined and declared to be the two highest evaluated responsive proposers to provide general line construction and pole replacement services.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to negotiate and award contracts to **Hot Line Construction, Inc.** and **Mountain G Enterprises Inc.** (collectively, the **Contracts**) to provide general line construction and pole replacement services for a period of three years from November 1, 2024, to November 1, 2027, with two optional one-year extensions, for a total not-to-exceed aggregate amount of \$250,000,000.

**Section 3.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the **Contracts** that, in his prudent judgment: (a) further the primary purpose of the **Contracts**; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.



SSS No. SCS 24-266

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 10/15/24
Board Meeting Date October 17, 2024

TO	TO
1. Casey Fallon	6. Jose Bodipo-Memba
2. Lucas Raley	7.
3. Frankie McDermott	8.
4. Lora Anguay	9. <b>Legal</b>
5. Scott Martin	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>	X	<b>Yes</b>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	X	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Katherine Manne	DEPARTMENT Procurement	MAIL STOP EA404	EXT. 6175	DATE SENT 9/13/24
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**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager to negotiate and award contracts to Lund Construction Co. (Lund) and Hylan West, Inc. (Hylan) for Cable Replacement Construction Services for a period of three years from November 1, 2024, to November 1, 2027, with two optional one-year extensions, for a total not-to-exceed aggregate amount of \$75 million.

**Summary:** Request for Proposals No. Doc4563653337 (RFP) was issued in May 2024 to solicit qualified firms to provide cable replacement construction services. A pre-proposal conference was held on May 29, 2024. On July 15, 2024, seven proposals were received and evaluated in accordance with the advertised criteria. Of the seven proposals received, six were responsive. SMUD initiated negotiations with top-ranked proposers which resulted in favorable pricing for SMUD. The final pricing from Lund and Hylan is highly competitive, and, coupled with their technical score, this supports the recommendation to award contracts to the two highest rated proposers. Awarding two zero-dollar contracts with an aggregate amount of all tasks not-to-exceed \$75 million for three years gives the business unit flexibility and mitigates the risk of work disruption. The result of the evaluation and award recommendations are shown below.

**Recommendation:** Award the 2 Highest Evaluated Responsive Proposers.

Award to:

<a href="#">Lund Construction Co.</a>	<a href="#">Hylan West, Inc.</a>
<a href="#">5302 Roseville Road</a>	<a href="#">511 Harbor Blvd., Ste. E</a>
<a href="#">North Highlands, CA 95660</a>	<a href="#">West Sacramento, CA 95691</a>

Proposers Notified by Procurement: 45

Proposers Downloaded: 17

Pre-Proposal Conference Attendance: 7

Proposals Received: 7

Responsive Proposals Received	P/F	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	Evaluated Proposal Amount	Proposed Award Amount
		10	43	47	100				
Lund Construction Co.	P	10.00	39.50	47.00	96.50	1	\$72,452,250.00	\$72,202,250.00	Not-to-Exceed \$75,000,000 Aggregate Amount of all Task Authorizations
Hylan West, Inc.	P	10.00	29.50	42.38	81.88	2	\$80,319,165.45	\$80,069,165.45	
Arrow Construction	P	10.00	39.67	30.72	80.39	3	\$110,701,720.00	\$110,451,720.00	
Teichert Utilities	P	2.83	33.50	28.46	64.78	4	\$119,501,030.00	\$119,251,030.00	
MP Nexlevel of California, Inc.	P	0.36	34.25	24.40	59.01	5	\$139,120,794.67	\$139,071,406.79	
Underground Construction Company, Inc.	P	10.00	30.25	16.11	56.36	6	\$210,864,800.86	\$210,614,800.86	

Non-Responsive Proposals Received	Proposal Amount
Veteran Power, Inc.	\$119,925,256.52

**Comments:** Veteran Power, Inc. did not achieve an evaluated score of a minimum of 29 of the possible 43 points available in Technical Evaluation Criteria Sections, a caveat to advance to have commercial evaluation.

**Supplier Diversity Program:** Lund proposed to self-perform ~70% of the work and will subcontract ~20% to Supplier Education & Economic Diversity (SEED) verified subcontractors, and ~10% to non-SEED subcontractors. Hylan proposed to self-perform ~79% of the work and will subcontract ~21% to SEED verified subcontractors.

**Board Policy:** Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Strategic Direction SD-4, Reliability; Strategic Direction SD-6, Safety Leadership; Strategic Direction SD-13, Economic Development.  
*(Number & Title)*

**Benefits:** Award will provide SMUD with two qualified contractors to execute cable replacement construction.

**Cost/Budgeted:** \$75,000,000; Budgeted for 2024 through 2029 by Grid Assets.

**Alternatives:** Negotiate current contracts with incumbent contractors for an extended term, and risk less competitive pricing.

**Affected Parties:** Grid Assets, Supply Chain Services, and Contractors.

**Coordination:** Grid Assets and Supply Chain Services.

**Presenter:** Lucas Raley, Director, Line Assets

**Additional Links:**

SUBJECT

**Award Cable Replacement Construction Contracts**

ITEM NO. (FOR LEGAL USE ONLY)

**11**

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, in May 2024, SMUD issued Request for Proposals No. Doc4563653337 (RFP) to solicit qualified firms to provide cable replacement construction services; and

**WHEREAS**, seven (7) proposals received in response to the RFP were evaluated; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** As a result of such examination, **Lund Construction Co. (Lund)** and **Hylan West, Inc. (Hylan)** are hereby determined and declared to be the two highest evaluated responsive proposers to provide cable replacement construction services.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to negotiate and award contracts to **Lund** and **Hylan** (collectively, the **Contracts**) to provide cable replacement construction services for a period of three years from November 1, 2024, to November 1, 2027, with two optional one-year extensions, for a total not-to-exceed aggregate amount \$75,000,000.

**Section 3.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the **Contracts** that, in his prudent judgment: (a) further the primary purpose of the **Contracts**; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.



SSS No.  
BOD 2024-018

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Finance & Audit – 10/15/24  
Board Meeting Date  
October 17, 2024

TO				TO			
1.	Scott Martin	6.					
2.	Lora Anguay	7.					
3.	Jose Bodipo-Memba	8.					
4.		9.	<b>Legal</b>				
5.		10.	<b>CEO &amp; General Manager</b>				
<b>Consent Calendar</b>	<input checked="" type="checkbox"/> <b>Yes</b>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input checked="" type="checkbox"/> <b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Rosanna Herber / Crystal Henderson		DEPARTMENT Board Office		MAIL STOP B307	EXT. 6155	DATE SENT 09/18/24	

**NARRATIVE:**

**Requested Action:** Approve Contract Change No. 7 to Contract No. 4500057661 with Leading Resources, Inc. to extend the contract expiration date from December 31, 2024, to December 31, 2027, to allow for continuity of consulting support for the SMUD Board.

**Summary:** This contract was awarded on a competitive basis to Leading Resources, Inc. in January 2009 pursuant to Board Resolution No. 08-12-19. The original contract was awarded for the period from January 1, 2009, to December 31, 2011, for a not-to-exceed amount of \$200,000. Board Resolution No. 11-12-16 approved Contract Change No. 1 to extend the contract expiration date to December 31, 2012, and increased the contract amount by \$60,000, for a new not-to-exceed amount of \$260,000. Board Resolution No. 12-10-06 approved Contract Change No. 2 to extend the contract expiration date to December 31, 2013. Board Resolution No. 13-11-04 approved Contract Change No. 3 to extend the contract expiration date to December 31, 2015. Board Resolution No. 15-09-02 approved Contract Change No. 4 to extend the contract expiration date to December 31, 2018. Board Resolution No. 18-12-17 approved Contract Change No. 5 to extend the contract expiration date to December 31, 2021, and to increase the contract amount by \$400,00, for a new not-to-exceed amount of \$660,000, to allow for continuity of consulting support for Board Strategic Directives. Board Resolution No. 21-11-02 Contract Change No. 6 to extend the expiration date by three years from December 31, 2021, to December 31, 2024. Requesting the Board to approve Contract Change No. 7. to extend the contract expiration date from December 31, 2024, to December 31, 2027, to allow for continuity of consulting support for the SMUD Board.

Currently, the contract balance is approximately \$252,324.

Contract Actions	Amount	Cumulative Amount	Description
Original Contract	\$200,000	\$200,000	Original Award
Change No. 01	\$60,000	\$260,000	Extended and increased
Change No. 02	\$0	\$260,000	Extended
Change No. 03	\$0	\$260,000	Extended
Change No. 04	\$0	\$260,000	Extended
Change No. 05	\$400,000	\$660,000	Extended and increased
Change No. 06	\$0	\$660,000	Extended
Pending Change No. 07	\$0	\$660,000	Extends
<b>Total Revised Contract</b>	<b>\$660,000</b>	<b>\$660,000</b>	

**Board Policy:** Governance Process GP-3, Board Job Description subsection j) Take such other actions as may be required (Number & Title) by law.

**Benefits:** Allows the Board to continue to realize the benefits of Leading Resources, Inc.’s expertise which is also informed by previous consulting work on SMUD Strategic Directives.

**Cost/Budgeted:** No increase.

**Alternatives:** Release a new competitive solicitation; however, there is a risk of lapse in consulting services during the solicitation process.

**Affected Parties:** Board President and CEO/GM

**Coordination:** Crystal Henderson, Special Assistant to the Board of Directors

**Presenter:** Rosanna Herber, SMUD Board President

**Additional Links:**

SUBJECT

Leading Resources Inc. Contract Extension

ITEM NO. (FOR LEGAL USE ONLY)

12

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, by Resolution No. 08-12-19, adopted December 18, 2008, this Board authorized the General Manager and CEO to execute a contract with **Leading Resources, Inc. (Leading Resources)** to provide facilitation and consulting services to the SMUD Board, in an amount not to exceed \$200,000.00, for the two-year period from January 1, 2009, through December 31, 2011; and

**WHEREAS**, by Resolution No. 11-12-16, adopted December 15, 2011, this Board executed Change Order No. 1 to Contract No. 4500057661 extending the term of the contract through December 31, 2012, and increasing the contract amount by \$60,000.00 to a not to exceed amount of \$260,000.00; and

**WHEREAS**, by Resolution No. 12-10-06, adopted October 18, 2012, this Board executed Change Order No. 2 to Contract No. 4500057661 extending the term of the contract through December 31, 2013, with no increase in the contract amount; and

**WHEREAS**, by Resolution No. 13-11-04, adopted November 7, 2013, this Board executed Change Order No. 3 to Contract No. 4500057661 extending the term of the contract through December 31, 2015, with no increase in the contract amount; and

**WHEREAS**, by Resolution No. 15-09-02, adopted September 3, 2015, this Board executed Change Order No. 4 to Contract No. 4500057661 extending the term of the contract through December 31, 2018, with no increase in the contract amount; and

**WHEREAS**, by Resolution No. 18-12-17, adopted December 20, 2018, this Board executed Change Order No. 5 to Contract No. 4500057661 extending the term of the contract for three years from January 1, 2019, through December 31, 2021, and to

increase the contract amount by \$400,000 for a not-to-exceed amount of \$660,000;  
and

**WHEREAS**, by Resolution No. 21-11-02, adopted November 18, 2021, this Board executed Change Order No. 6 to Contract No. 4500057661 extending the term of the contract through December 31, 2024, with no increase in the contract amount; and

**WHEREAS**, it is in the best interest of SMUD to extend the contract for an additional three-year period for continuity purposes; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby authorizes the Board President, or her designee, to execute Change Order No. 7 to Contract No. 4500057661 with **Leading Resources, Inc.** to extend the term of the contract for three years from December 31, 2024, to December 31, 2027, to allow for continuity of consulting support for the SMUD Board.



SSS No. CES 24-001

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date ERCS – 10/15/2024
Board Meeting Date October 17, 2024

TO	TO
1. Tracy Carlson	6.
2. Brandy Bolden	7.
3. Frankie McDermott	8.
4. Lora Anguay	9. <b>Legal</b>
5. Suresh Kotha	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Ali Crawford	DEPARTMENT Community Energy Services			MAIL STOP NA	EXT. 5676	DATE SENT 9/19/24	

**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager to enter into (1) a contract with Sonoma Clean Power (SCP) to provide Community Choice Aggregation (CCA) data management and related services and (2) vendor contracts (except technology platform subscription service contracts which are addressed through the annual budget process) to facilitate the ongoing operations of SCP provided that no individual contract shall exceed \$1 million.

**Summary:** Community Choice Energy was created in California by Assembly Bill 117 (2002), which authorized local governments to aggregate customer electric load and purchase electricity for customers in the service territories of investor-owned utilities. SCP is a CCA formed in 2012 which serves about 230,000 residential and commercial electricity customers across Sonoma and Mendocino Counties.

SMUD has significant experience performing the services required by SCP making SMUD a logical provider. For over 75 years as a community-owned electric utility, SMUD has performed many of the same services for its own service territory, and since 2017 has provided similar services to other CCAs, including Valley Clean Energy (VCE), Ava Community Energy (Ava), and Marin Clean Energy (MCE).

SCP recently contacted SMUD to provide the following services: Data Management, Billing, Contact Center, Custom Reporting, and Customer Relationship Management (CRM) Systems. SCP determined that they are not required to do a competitive solicitation for the above work as there are only two providers currently doing this kind of work in California, SMUD and Calpine Corporation, and SCP had experienced Calpine for over a decade. Based on SMUD’s strong performance on similar work for other CCAs, prior market research and consulting work for SCP, and a good reputation in the industry, SCP notified SMUD that they would like to simply contract with SMUD. The SCP Board voted to award SMUD the contract on October 3, 2024. Staff believes providing SCP services will present both net financial benefits for SMUD, as well as foster public power and regional clean energy solutions. The proposed services will leverage the systems and services already in place for VCE, Ava and MCE, and thereby contribute to increased net revenue for SMUD and economies of scale in our CCA service offerings. SMUD will ensure that its financial viability, internal operations, and customer service portfolio are not adversely affected by providing SCP services.

**Board Policy:** *(Number & Title)* Strategic Direction SD-2, Competitive Rates, by providing access to a new business opportunity which will create revenue that will help keep SMUD’s rates low; Strategic Direction SD-11, Public Power Business Model, by assisting other local government entities to provide the benefits of public power to their communities; Strategic Direction SD-19, Diversified Business, by broadening and diversifying the products and services we offer to generate new revenues that contribute to SMUD’s long-term financial health.

**Benefits:** This contract provides revenue for SMUD and support public power and regional decarbonization.

**Cost/Budgeted:** Cost included in budget.

**Alternatives:** The alternative would be to bring the SCP contract and vendor procurements to the Board for approval, which could delay SMUD’s ability to provide services in a timely manner, potentially not meeting SCP’s April 30, 2025, implementation deadline and the transition to SMUD’s service beginning May 1, 2025.



**Affected Parties:** Community Energy Services, Information Technology, SCP, SCP customers

**Coordination:** Community Energy Services, Information Technology, SCP, SCP customers

**Presenter:** Tracy Carlson, Director Customer Success

SUBJECT

**Foundational Services Agreement between Sonoma Clean Power and SMUD**

ITEM NO. (FOR LEGAL USE ONLY)

**13**

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, Community Choice Aggregation (CCA) was created in California by Assembly Bill 117 (2002), which authorized local governments to aggregate customer electric load and purchase electricity for customers in the service territories of investor-owned utilities; and

**WHEREAS, Sonoma Clean Power (SCP)** is a CCA formed in 2012 which serves approximately 230,000 residential and commercial electricity customers across Sonoma and Mendocino Counties; and

**WHEREAS**, for more than 75 years as a community-owned electric utility, SMUD has performed many of the same services for our own service territory required by **SCP**, and since 2017 has provided similar services for other CCAs including **Valley Clean Energy (VCE)**, **Ava Community Energy (Ava)**, and **Marin Clean Energy (MCE)**; and

**WHEREAS, SCP** contacted SMUD to provide the following services: Data Management, Billing, Contact Center, Custom Reporting, and Customer Relationship Management (CRM) Systems; and

**WHEREAS, SCP** determined it is not required to issue a competitive solicitation for the requested services since there are only two providers currently providing this type of service in California, SMUD and **Calpine Corporation (Calpine)**; and

**WHEREAS, SCP** had experienced **Calpine** for over a decade, and, based on the strong performance of SMUD on similar work for other CCAs, prior market

research and consulting work for SCP, i as well as a good reputation in the industry, SCP notified SMUD of its desire to contract directly with SMUD for the services; and

**WHEREAS**, the **SCP** Board voted to award SMUD the contract on October 3, 2024; and

**WHEREAS**, staff believes providing **SCP** services will present both net financial benefits for SMUD, as well as foster public power and regional clean energy solutions; and

**WHEREAS**, the proposed services leverage the systems and services already in place for **VCE**, **Ava** and **MCE**, which contribute to increased net revenue for SMUD and economies of scale in our CCA service offerings; and

**WHEREAS**, the Municipal Utility District Act (MUD Act) grants SMUD broad authority to provide services related to light, heat, and power, and take all acts necessary and convenient for the full exercise of the powers therein; and

**WHEREAS**, the MUD Act authorizes SMUD to provide competitive services and commodities within or outside of our service territory; and

**WHEREAS**, providing services to **SCP** to meet their energy objectives is a valid exercise of SMUD's authority; and

**WHEREAS**, SMUD will ensure that our financial viability, internal operations, and customer service portfolio are not adversely affected by providing **SCP** services; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** The Chief Executive Officer and General Manager, or his designee, is authorized to enter into a contract with the **Sonoma Clean Power (SCP)** to provide Community Choice Aggregation (CCA) data management and other services.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized to enter into vendor contracts (except technology platform subscription service contracts which are addressed through the annual budget process) to facilitate the ongoing operations of **SCP** provided that no individual contract shall exceed \$1 million.



SSS No. ET&C 24-052

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date ERCS – 10/15/24
Board Meeting Date October 17, 2024

TO				TO			
1.	Jon Olson	6.	Lora Anguay				
2.	Bryan Swann	7.	Brandy Bolden				
3.	Russell Mills	8.	Frankie McDermott				
4.	Scott Martin	9.	<b>Legal</b>				
5.	Suresh Kotha	10.	<b>CEO &amp; General Manager</b>				
<b>Consent Calendar</b>	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Tomislav Fischbach		DEPARTMENT Energy Trading & Contracts		MAIL STOP A404	EXT. 5775	DATE SENT 9/20/2024	

**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager, or his delegate, to negotiate and execute the Transaction Confirmation agreement with Sanborn 2 PV I, LLC for an 8-year term for 46 MW of renewable solar photovoltaic power from the Sanborn 2 PV I, LLC project (S2PVI Project) at an annual approximate cost of \$4.4 million, substantially in the form attached, and all other agreements necessary to facilitate the S2PVI Project.

**Summary:** The California Energy Commission (CEC) mandates continuously escalating procurement of renewable energy by load-serving entities in California under the Renewables Portfolio Standard (RPS). The renewable generation from this contract will support RPS Compliance Periods 5 (2025-2027), 6 (2028-2030), and beyond.

SMUD received a competitive offer from Terra-Gen, LLC for the S2PVI Project and performed an evaluation of the market to determine that this project provided superior value versus the available alternatives. SMUD has executed an Edison Electric Institute (EEI) Master Agreement with Sanborn 2 PV I, LLC, a subsidiary of Terra-Gen, LLC, and negotiated an 8-year (2027-2034) purchase of renewable generation from S2PVI, a solar project located in the California Independent System Operator (CAISO) footprint near Mojave, California, in Kern County. This transaction will secure an annual supply of Portfolio Content Category 1 Renewable Energy Certificates (PCC1 RECs) for up to 155,000 MWh annually with an annual minimum guarantee of approximately 75,000 MWh.

**Board Policy:** Strategic Direction SD-2, Competitive Rates; Strategic Direction SD-7, Environmental Leadership; Strategic Direction SD-9, Resource Planning  
*(Number & Title)*

**Benefits:** Securing an annual supply of PCC1 RECs below spot market pricing. Supports SMUD’s RPS compliance and the 2030 Zero Carbon Plan.

**Cost/Budgeted:** REC purchases are already budgeted

**Alternatives:** Buy RECs at higher spot prices

**Affected Parties:** Energy Trading & Contracts, Energy Settlements, Resource Planning, Commodity Risk Management, Treasury, and Legal.

**Coordination:** Energy Trading & Contracts and Legal

**Presenter:** Chad Adair, Manager, Energy Contracts  
Emily Bacchini, Manager, Environmental Regulations

<b>Additional Links:</b>
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SUBJECT <b>Execute 8-year Confirmation to Purchase PCC1 RECs from Sanborn 2 PV</b>	ITEM NO. (FOR LEGAL USE ONLY) <b>14</b>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

<b>Sanborn 2 PV I, LLC</b>	<b>Sacramento Municipal Utility District</b>
Contract ID:	Contract ID:
Phone: (646) 829-3901	Phone: (916) 732-5775
E-mail:	E-mail: tomlav.fischbach@smud.org

**TRANSACTION CONFIRMATION  
Bundled Energy + RECs**

This Transaction Confirmation (this “Confirmation”) is entered into this 4<sup>th</sup> day of October, 2024 (“Effective Date”), by and between **Sanborn 2 PV I, LLC**, a Delaware limited liability company (“S2PVI”), and **Sacramento Municipal Utility District** (“SMUD”), each referred to herein individually as a “Party” and collectively as the “Parties”, regarding the purchase and sale of the Products defined below under the terms and conditions herein. Additional definitions are included under the “Definitions / Interpretations” section below. Capitalized terms used but not defined herein shall have the meanings set forth in the Master Agreement (as such term is defined below).

**Transaction:**

*Seller:* S2PVI

*Buyer:* SMUD

*Master Agreement:* The Edison Electric Institute Master Power Purchase and Sale Agreement between the Parties, dated as of September 30<sup>th</sup>, 2024 (collectively, the “Master Agreement”). In the event of a conflict between the terms of this Confirmation and the terms of the Master Agreement, the terms of this Confirmation shall prevail with respect to the Transactions evidenced by this Confirmation.

*Project:* Seller’s Sanborn 2 PV I solar project located in Mojave, California, in \_\_\_\_\_ County, California, which has or will be certified by the CEC as an ERR, as that term is defined below, and as more particularly described in Exhibit 1.

*Transactions:* Throughout the Delivery Period, so long as no Event of Default or Potential Event of Default shall have occurred with respect to Buyer, Buyer shall be the exclusive purchaser of and hereby agrees to purchase the Products (but excluding any and all Excess Products, Storage Products, ancillary services, capacity attributes, or Resource Adequacy Capacity (as such term is defined in the Tariff)).

*Scheduled*

*COD:* January 1, 2027, subject to extension on a day-for-day basis, up to 180 days in the aggregate, for each day that Commercial Operation of at least the Minimum Contract Capacity is delayed due to an event of Force Majeure.

*Guaranteed*

*COD:* March 31, 2027, subject to extension on a day-for-day basis, up to 180 days in the aggregate, for each day that Commercial Operation of at least the Minimum Contract Capacity is delayed due to an event of Force Majeure.

*Delivery Period:*

The period commencing on the later of (a) the Scheduled COD, and (b) the day immediately following the achievement of Commercial Operation, and ending on December 31, 2034 (inclusive), unless earlier terminated pursuant to the terms hereof, provided that the RECs

attributable to the Energy generated during the Delivery Period but created after the Delivery Period shall be transferred to and paid for by Buyer in accordance with the terms of this Confirmation.

*Failure to Achieve  
COD:*

Notwithstanding any other provision of this Confirmation or the Master Agreement to the contrary, Seller's failure to achieve Commercial Operation of at least ninety percent (90%) of the full Contract Capacity ("Minimum Contract Capacity") by the Scheduled COD shall result in payment of liquidated damages ("Delay Damages") to Buyer equal to \$150 per MW of Contract Capacity per day for each MW portion that is less than the Minimum Contract Capacity, to be adjusted daily as installed capacity of the Project achieves Commercial Operation (if applicable). The aggregate Delay Damages shall not exceed the amount of Seller's Credit Support.

If the Project fails to achieve Commercial Operation of at least the Minimum Contract Capacity on or prior to the Guaranteed COD, then Buyer shall have the right, but not the obligation, in its sole discretion to terminate this Agreement by providing notice of termination to Seller, provided that such termination right shall expire once the Project achieves Commercial Operation of at least the Minimum Contract Capacity. If the Scheduled COD and Guaranteed COD have been extended for 180 days due to Force Majeure and Seller's ability to achieve Commercial Operation of at least the Minimum Contract Capacity continues to be delayed due to Force Majeure, then either Party may terminate this Agreement by providing notice of termination to the other Party, provided that such termination right shall expire once the Project achieves Commercial Operation of at least the Minimum Contract Capacity. Upon termination of this Agreement by either Party pursuant to this "Failure to Achieve COD" section, neither Party shall have any financial or other liability to the other Party arising out of such termination, except that Seller shall pay Buyer liquidated damages in the amount of three million eighty-two thousand dollars (\$3,082,000), minus the aggregate amount of any Delay Damages previously paid by Seller ("Pre-COD Termination Damages") within ten (10) Business Days after such termination; provided, however, that Seller will not be required to pay the Pre-COD Termination Damages in connection with such termination if Seller's ability to achieve Commercial Operation of at least the Minimum Contract Capacity has been delayed by more than 180 days due to Force Majeure. Receipt of the Pre-COD Termination Damages is Buyer's sole and exclusive remedy, and Seller's sole and exclusive liability, for any failure of Seller to achieve Commercial Operation of at least the Minimum Contract Capacity on or prior to the Guaranteed COD or to achieve Commercial Operation at all. Notwithstanding anything to the contrary herein, in no event will Seller's aggregate liability under this Agreement prior to achieving Commercial Operation of at least the Minimum Contract Capacity exceed the amount of the Pre-COD Termination Damages.

*Delivery Point:*

CAISO PNode assigned to the Project by the CAISO, or, for Replacement Product, the CAISO PNode assigned to the generating facility providing the Replacement Product

*Scheduling:*

Seller or Seller's designee will perform all scheduling requirements as may be applicable to the Energy portion of the Product. Such scheduling will be performed consistent with the Tariff.



## **PART 1 – ENERGY AND REC DELIVERY OBLIGATIONS**

*RPS Product:* As used herein, “Product” shall mean Energy produced by the Project and delivered to the Delivery Point, simultaneously bundled with the Renewable Energy Credits (“RECs”) associated with such Energy (as evidenced by WREGIS Certificates) under the Applicable Program.

*Applicable Program:* State of California Renewables Portfolio Standard Program (hereinafter referred to as “California RPS”, “Renewables Portfolio Standards” or “RPS Program”), as codified at California Public Utilities Code Section 399.11, *et seq.*

*Contract Capacity:* 46 MW

*Minimum Annual Contract Quantity:* For each Contract Year during the Delivery Period, the amount set forth as the Minimum Annual Contract Quantity for such year in Schedule A, provided, however, that if a Contract Year is less than a full calendar year, then the Minimum Annual Contract Quantity for such Contract Year shall be automatically revised to equal the product of (a) the original volume set forth in Schedule A for such Contract Year, multiplied by (b) the quotient of the total number of days included in such Contract Year, divided by 365 days.

*Maximum Annual Contract Quantity:* For each Contract Year during the Delivery Period, the amount set forth as the Maximum Annual Contract Quantity for such year in Schedule A.

*Contract Quantity:* For each Contract Year during the Delivery Period, Seller shall deliver to Buyer one hundred percent (100%) of the Product produced by the Project, but not to exceed the Maximum Annual Contract Quantity for such Contract Year (the “Annual Contract Quantity”). Given the intermittent nature of the resource, Buyer understands the actual volume of delivered Product may vary; provided however, notwithstanding anything to the contrary herein, (a) Seller shall, as Buyer’s sole and exclusive remedy, pay LDs as provided in the Damages section below if the Annual Contract Quantity is lower than the Minimum Annual Contract Quantity, and (b) once the Product produced by the Project in a given Contract Year equals the Maximum Annual Contract Quantity for such Contract Year, with respect to any Product subsequently produced by the Project in excess of the Maximum Annual Contract Quantity in such Contract Year (“Excess Product”), Seller shall have the right to sell such Excess Product to one or more third parties and to retain any associated revenue.

*REC Vintage Period:* The vintage period of RECs shall correspond to the calendar year in which the Energy component of the Product or Replacement Product, as applicable, is delivered.

*Contract Price:* The price for each MWh of Product or Replacement Product delivered to Buyer (the “Contract Price”) shall consist of the Energy Price and the REC Price, calculated as follows:

$$\text{Contract Price} = \text{Energy Price} + \text{REC Price}$$

where:

“Energy Price” shall mean the applicable Locational Marginal Price (as such term is defined in the Tariff) for Energy delivered at the applicable Delivery Point per MWh determined in accordance with the procedures and rules of the California ISO; and

“REC Price” shall mean ██████ per MWh (*i.e.*, per REC) for the Product conveyed to Buyer in accordance with the terms of this Confirmation.

Seller shall retain the revenue received by Seller or the Scheduling Coordinator (as such term is defined in the Tariff) for the Project from CAISO for the Energy component of the Product or Replacement Product, in full satisfaction of Buyer’s payment obligation for the Energy Price component of the Product or Replacement Product, as applicable. The Parties acknowledge that such CAISO revenues retained by Seller may be greater than or less than the revenues that would have resulted based on the Energy Price published by the CAISO. For avoidance of doubt, Buyer’s net payment obligation for delivered Product or Replacement Product under this Transaction is ██████ per MWh.

*Settlements and Payment:*

Seller shall deliver the Product by (i) delivering Energy from the Project to the California ISO on behalf of Buyer at the Delivery Point in accordance with the California ISO requirements and procedures and (ii) transferring the RECs by transferring the associated WREGIS Certificates and associated NERC e-Tags (if applicable) through WREGIS, to Buyer’s designated WREGIS account(s) (maintained by Buyer, at Buyer’s sole cost and expense). California ISO shall pay the Energy Price directly to Seller for the Energy portion of the Product in accordance with the California ISO requirements and procedures and Buyer shall not be required to pay such amount to Seller. Buyer shall pay the REC Price to Seller no later than ten (10) Days following receipt of Seller’s invoice subsequent to the transfer of the RECs by Seller to Buyer pursuant to this Confirmation. Seller may invoice any time after it transfers such RECs to Buyer.

*Damages:*

With respect to any Contract Year after the first Contract Year, if the quantity of RECs associated with Energy for such Contract Year that is delivered to Buyer by the date that is one hundred twenty (120) days after the end of the applicable Contract Year plus Seller-Excused Energy during such Contract Year is less than the Minimum Annual Contract Quantity for such Contract Year, Seller shall at its option either replace such shortfall through PCC1-qualifying resources (“Replacement RECs”) by the date that is one hundred twenty (120) days after the end of the then-current Contract Year from other resources or pay Buyer liquidated damages (“LDS”) equal to the product of A and B, where:

A = The positive difference, if any, of: Minimum Annual Contract Quantity for such Contract Year – (RECs delivered + Seller-Excused Energy + Replacement RECs delivered for such Contract Year)

B = The positive difference, if any, of: the Replacement RECs Value for the applicable Contract Year – REC Price for such Contract Year

“Seller-Excused Energy” means the Energy that the Project could have produced but did not due to (i) events of Force Majeure at the Project or Delivery Point, (ii) periods during which generation or transmission is curtailed or interrupted for system emergencies, reliability, congestion, over-generation or any other reason not caused by the action or inaction of Seller, (iii) Buyer’s Event of Default, and/or (iv) the implementation of 50 hours of Planned Outages and/or Off-Peak Opportunity RA Maintenance Outages (as such term is defined in the Tariff) per Contract Year. For the purposes of calculating Seller-Excused Energy, Seller-Excused

Energy shall be based on Seller's reasonable forecast of the Energy that could have been produced by the Project if not for the Seller-Excused Energy event, to consider solar insolation, Project availability, and all other reasonable variables.

*Replacement  
RECs*

*Value:* The price per REC at which Buyer, acting reasonably, can purchase Replacement RECs, will not exceed \$50.00 per MWh. For avoidance of doubt, Replacement RECs may be from other renewable resources.

*Contract Year:* Each calendar year, or fraction thereof, during the Delivery Period, provided, that the first Contract Year shall commence on the first day of the Delivery Period and end on December 31, 2027 and the last Contract Year shall commence on January 1, 2034 and end on December 31, 2034.

*REC Delivery:* Seller shall deliver and convey the applicable RECs to SMUD by transferring, via WREGIS to the account designated by SMUD, the WREGIS Certificates within five (5) Business Days after the WREGIS certificates are created. The transfer shall be made in accordance with the rules and regulations of WREGIS. Buyer acknowledges that certification under WREGIS requires, among other things, WREGIS be notified that the Project has achieved commercial operations and Seller shall notify WREGIS of the same. The Parties acknowledge that the creation and delivery of the WREGIS Certificates associated with the Product or Replacement Product, as applicable, may occur after the Energy has been delivered and invoiced, therefore the invoice may contain charges for Energy and WREGIS Certificates which were not generated in the same month(s).

*Data Reports:* After the end of each quarter during the Delivery Period, Seller shall promptly provide Buyer with meter data from the Project relating to the Energy portion of the Product delivered to Buyer when available (but not later than the twentieth (20<sup>th</sup>) Business Day after the end of the applicable quarter). Seller shall use commercially reasonable efforts to keep and maintain any other documentation supporting claims of production, delivery, and transfer of the Product delivered to Buyer and shall provide it to Buyer as may be required for Buyer to meet Applicable Program requirements as may be reasonably requested by Buyer.

*Change in Law  
Provisions:*

In the event of a Change in Law in the designated Applicable Program, the Parties shall make commercially reasonable efforts to obtain compliance with such Change in Law, provided that Seller shall not be required to spend, together with the aggregate costs incurred by Seller within the scope of Special Provision B(5) below, more than fifty thousand dollars (\$50,000.00) in documented expenses in any single calendar year or, in the aggregate, more than two hundred fifty thousand dollars (\$250,000.00) in documented expenses after the Effective Date in Seller's efforts to obtain such compliance (such limits, collectively, the "Change in Law Cost Cap"). Seller shall keep Buyer reasonably informed of its efforts to obtain compliance. If despite such efforts to obtain compliance, including expenditure by Seller of the dollar amounts specified above, Seller cannot obtain compliance:

- i. Buyer shall not be liable for damages for failure to accept delivery of the Product if Buyer refuses to accept delivery of the REC after the Change in Law solely due to the Change in Law;

- ii. Seller shall not be liable for damages for failure to initiate delivery of the Product if Seller is unable to initiate delivery of the REC after the Change in Law solely due to the Change in Law;
- iii. Seller shall not be in breach of this Confirmation for a failure to perform caused by such Change in Law; and
- iv. either Party shall have the right to terminate this Confirmation in the event of a Change in Law in the designated Applicable Program, and Seller is unable to obtain compliance pursuant to this section. Such termination is effectuated on thirty (30) days' written notice to the other Party and, provided that no Event of Default shall have occurred and be continuing at the time of such termination, neither Party shall be liable to the other Party for any damages or costs (including any termination payment) for such early termination, provided that Buyer will remain liable for any unpaid amounts due with respect to RECs delivered prior to such Change in Law.

Notwithstanding the above, the Parties may mutually agree to address the issue of Seller's inability to obtain compliance, including but not limited to Buyer agreeing to fund additional expenditures by Seller to comply.

### **Special Provisions:**

#### **A. Non-Modifiable Standard Terms and Conditions**

(1) Eligibility: Seller, and, if applicable, its successors, represents and warrants, throughout the Delivery Period of this Agreement, that the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16. To the extent a Change in Law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such Change in Law.

(2) Applicable Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced, and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement.

(3) Transfer of Renewable Energy Credits: Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Period of this Agreement the RECs transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, CEC RPS Guidebook and as may be modified by subsequent decision of the California Public Utilities Commission or CEC, or by subsequent legislation. To the extent a Change in Law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such Change in Law in accordance with the Changes in Law Provisions of this Confirmation.

(4) Tracking of RECs in WREGIS: Seller and Buyer each warrants that all necessary steps to allow the RECs transferred to Buyer pursuant to this Confirmation to be tracked in Western Renewable Energy Generation Information System will be taken prior to the first delivery under this Confirmation.

## **B. Additional Terms and Conditions**

(1) **Seller Representations and Warranties:** Seller represents and warrants at the time of each delivery of Product to SMUD, pursuant to this Confirmation, with respect to such Product that:

(a) Seller has not sold the Product to be transferred to SMUD to any other person or entity;

(b) the Product delivered meets the specifications set forth herein;

(c) the Energy portion of the Product is from the Energy generated by the Project, except with respect to Replacement RECs which Energy shall be sourced from other PCC1-qualifying resources; and

(e) all rights, title and interest in and to the Product are free and clear of any taxes or security interests except for any right or interest by any entity claiming through SMUD.

(2) **CEC Certification:** Seller shall, promptly upon CEC approval, provide SMUD with a copy of the CEC certification of the Project(s) as eligible for the California Renewables Portfolio Standard under the CEC RPS Guidebook, and for each ERR shall provide the individual FERC ID number, NERC ID, number and EIA ID number.

(3) **Review:** To monitor compliance with this Confirmation, each Party reserves the right to review during normal business hours and at its own expense, for up to two (2) years following delivery of the RECs under this Confirmation, and with reasonable advance notice to the other Party, information in the possession of the other Party required to verify that the Product sold to Buyer under this Confirmation was not otherwise sold by Seller to a third party.

(4) **Clarification of STCs.** Without limiting the final sentence of Special Provision A(1) and A(3), it shall also not be an Event of Default if a Change in Law that takes effect after the delivery of any RECs or output from the Project, in each case, under this Confirmation, causes the representation and warranty made with respect to such RECs or output to be materially false or misleading or if such representation or warranty is not correct because the CEC has not yet certified the Project as an ERR.

(5) **Green-e Tracking Attestation.** During the Delivery Period, Seller shall maintain an approved Tracking Attestation Form on file with the Center for Resource Solutions (or its successor entity) ("CRS"); provided, however, that if there is any change in CRS requirements following the Effective Date for maintaining an approved Tracking Attestation Form on file with CRS, then Seller will only be required to comply with this Special Provision B(5) to the extent it can be achieved at a cost to Seller that, together with the aggregate cost to Seller of all other applicable actions within the scope of the "Change in Law Provisions" section above, is no greater than the Change in Law Cost Cap.

## **C. Collateral Support Requirements**

(1) **Seller's Credit Support.** Within fifteen (15) Business Days after the Effective Date, and ending upon the first date that both the Delivery Period has ended and Seller has satisfied all of its payment obligations due and owing to Buyer under this Agreement, Seller will post or issue and maintain, or cause to be posted or issued and maintained, in favor of Buyer, Credit Support to secure Seller's obligations under this Agreement; provided, Seller has no obligation to replenish Seller's Credit Support after any draw on Seller's Credit Support by Buyer.

(2) **Buyer's Credit Support.** Within fifteen (15) Business Days after the Effective Date, and ending upon the first date that both the Delivery Period has ended and Buyer has satisfied all of its payment obligations due and owing to Seller under this Agreement, for any period in which Buyer is no longer a Creditworthy Entity, Buyer will post or issue and maintain, or cause to be posted or issued and maintained, in favor of Seller, Credit Support to secure Buyer's obligations under this Agreement; provided, Buyer has no obligation to replenish Buyer's Credit Support after any draw on Buyer's Credit Support by Seller so long as Buyer is a Creditworthy Entity.

(3) Security Interest. To secure its obligations under this Agreement, each Party posting Credit Support (the “Credit Support Provider”) hereby grants to the other Party, as the secured party (the “Credit Support Beneficiary”), a first priority and continuing security interest in, and lien on (and right of setoff against), and assignment of any Cash account, any Credit Support provided in the form of Cash and all Cash obtained by Credit Support Beneficiary resulting from a draw on Credit Support other than Cash, and all proceeds resulting therefrom or from the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of the Credit Support Beneficiary, and Credit Support Provider agrees to take such action as Credit Support Beneficiary reasonably requires to protect the Credit Support Beneficiary’s first-priority security interest in, and lien on (and right of setoff against), such collateral and all proceeds resulting therefrom or from the liquidation thereof; provided, however, that the Credit Support Beneficiary may exercise its rights as a secured party (including the right of setoff granted pursuant to this sentence) against such Cash account and Cash collateral only upon the terms and conditions of this Agreement. If Credit Support Beneficiary receives Cash proceeds from a Letter of Credit pursuant to a drawing made in accordance with this Agreement, then the Credit Support Beneficiary will deposit such proceeds in a Cash account in accordance with Special Provision (C)(4), immediately below, under terms and conditions that allow the proceeds to be disbursed to Credit Support Beneficiary and provide for disbursement to Credit Support Provider upon the terms and conditions of this Agreement; provided, however, the inability to deposit such Cash proceeds into a Cash account, including as a result of the non-cooperation of the Credit Support Provider, shall not limit the right of Credit Support Beneficiary to receive, hold and apply such Cash collateral in accordance with the terms of this Agreement. Cash collateral will constitute Credit Support for all purposes of this Agreement.

(4) Drawing of Credit Support. If an Event of Default has occurred and is continuing, Credit Support Beneficiary will be entitled to draw upon Credit Support in an amount equal to any amounts due and owing to such Credit Support Beneficiary that have not been paid within the time provided under this Agreement that arise from (i) such Event of Default, or (ii) any prior Event of Default to the extent that such amounts due and owing arising therefrom have not yet been paid in full to the Credit Support Beneficiary. In the case of Credit Support in the form of a Letter of Credit, Credit Support Beneficiary may draw the full amount of such Letter of Credit within thirty (30) days before the expiration of such Letter of Credit if, as of the date of such drawing, Credit Support Beneficiary does not receive replacement Credit Support meeting the requirements of this Agreement and the proceeds of any such draw will constitute collateral provided to the beneficiary in the form of Cash. If the Credit Support Beneficiary draws on the Letter of Credit as provided in the preceding sentence, the Cash will be maintained in a custodial account at a national bank reasonably acceptable to the applicant. The Credit Support Beneficiary may withdraw funds from such account to pay any amount due and owing by the applicant under this Agreement that has not been paid within the time provided under this Agreement. The Credit Support contemplated by this Special Provision (C) (including subparagraphs (1) through (6)) constitutes security for, but is not a limitation of, liability for either Party’s obligations and liabilities under this Agreement.

(5) Release Upon Termination. Credit Support will be released or returned, as applicable, to the Credit Support Provider immediately upon the first date that (a) the Delivery Period has ended, (b) such Credit Support Provider has satisfied all of its payment obligations to the other Party hereunder, and (c) such Credit Support Provider has confirmed in writing to the other Party that there will be no additional disputes regarding the correctness of an invoice or any adjustment to an invoice pursuant to Section 6.3 of the Master Agreement.

(6) Uniform Commercial Code Waiver. Section 8 of the Master Agreement and this Confirmation set forth the entirety of the agreement of the Parties regarding credit, collateral, and financial adequate assurances. Except as expressly set forth in this Special Provision (C) (including subparagraphs (1) through (6)), neither Party (a) has or will have any additional obligation to post Credit Support, pay deposits, make any other prepayments, or provide any other financial assurances in any form whatsoever; or (b) will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of this Agreement.

(7) Letter of Credit Default. It shall be an Event of Default of the Credit Support Provider under this Confirmation upon the occurrence of a Letter of Credit Default with respect to any Letter of Credit issued in support of any obligations of such Party under this Confirmation or any issuer of any such Letter of Credit, and such default is not cured within five (5) Business Days after written notice from the other Party.

**PART 2 - DEFINITIONS / INTERPRETATIONS:** For purposes of this Confirmation, the following definitions and rules of interpretations shall apply:

“**Applicable Law**” means all legally binding constitutions, treaties, statutes, laws, ordinances, rules, regulations, orders, interpretations, permits, judgments, decrees, injunctions, writs and orders of any Governmental Authority or arbitrator that apply to the Applicable Program or any one or both of the Parties or the terms hereof.

“**Applicable Program**” means the California RPS.

“**Buyer’s Credit Support**” means Credit Support posted by Buyer pursuant to Special Provision C(2).

“**CAISO**” or “**California ISO**” means the California Independent System Operator Corporation, or its successor.

“**California Renewables Portfolio Standard**” and “**California RPS**” mean the renewable energy program and policies codified in California Public Utilities Code Sections 399.11 through 399.32 as such provisions are amended or supplemented from time to time.

“**Cash**” means Credit Support in the form of U.S. Dollars.

“**CEC**” means the California Energy Commission or its regulatory successor.

“**CEC RPS Guidebook**” means Renewables Portfolio Standard Eligibility Guidebook, 9th Edition (Revised), publication number CEC-300-2016-006-ED9-CMF-REV, adopted April 27, 2017,

“**Change in Law**” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty; (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority; or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority which, when applying a commercially reasonable standard, is applicable to performance of this Agreement

“**Commercial Operation**” means the successful achievement of the following conditions: (i) all necessary permits for the Project have been obtained and all conditions to operate the Project have been satisfied and complied with in order to produce, sell, and transmit Energy; (ii) Seller has received final permission to parallel from the Participating Transmission Owner (as such term is defined in the Tariff); (iii) Seller and the CAISO have executed and Seller has delivered evidence of the Participating Generator Agreement (as such term is defined in the Tariff) to Buyer; and (iv) Seller has confirmed to Buyer in writing that conditions set forth under (i) – (iv) of this definition have been achieved.

“**Commercial Operation Date**” is the date on which Commercial Operation of at least the Minimum Contract Capacity was achieved, as set forth under the “Transaction” section above.

“**CPUC**” means the California Public Utilities Commission or its regulatory successor.

“**CPUC Decisions**” means, as applicable, CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-06-063, 1606-045 and subsequent decisions related to resource adequacy as amended or supplemented from time to time.

“**Credit Rating**” means (a) with respect to any entity other than a financial institution, the current (i) rating issued or maintained by S&P or Moody’s with respect to such entity’s long-term senior, unsecured, unsubordinated debt obligations (not supported by third-party credit enhancements); or (ii) corporate credit rating or long-term issuer rating issued or maintained with respect to such entity by S&P or Moody’s; or (b) if such entity is a financial

institution, the ratings issued or maintained by S&P or Moody's with respect to such entity's long-term, unsecured, unsubordinated deposits.

**“Credit Support”** means collateral in the amount of sixty-seven thousand dollars (\$67,000) per MW of Contract Capacity in the form of (i) Letter(s) of Credit or (ii) Cash.

**“Creditworthy Entity”** means, for any entity, that such entity has a Credit Rating of (i) “Baa3” or higher by Moody's and (ii) “BBB-” or higher by S&P.

**“Energy”** means the amount of electricity the Project generates over a period of time, expressed in MWh.

**“FERC”** means the Federal Energy Regulatory Commission or its regulatory successor.

**“Force Majeure”** means an event or circumstance that prevents a Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the date of this Agreement, and is not within the reasonable control of, or the result of the negligence of, such Party, and which by the exercise of due diligence, such Party is unable to overcome or avoid or cause to be avoided. An event of Force Majeure shall include (but is not limited to), provided the criteria in the first sentence are met, riot, insurrection, war, explosion, labor dispute, fire, flood, earthquake, storm, lightning, volcanic eruption, tsunami, backwater caused by flood, act of the public enemy, terrorism, pandemic, epidemic or pandemic, civil disturbances, vandalism, strike, labor disturbances, labor or material shortage, national emergency, restraint by court order or other public authority or governmental agency, actions taken to limit the extent of disturbances on the electrical grid, or other similar uses beyond the control of the Party affected which causes such Party could not have avoided by the exercise of due diligence and reasonable care. Under no circumstances shall the following constitute an event of Force Majeure: (i) a Party's ability to enter into a contract at a more favorable price or under more favorable conditions or other economic reasons or (ii) delays or nonperformance by suppliers, vendors or other third parties with whom a Party has contracted, except to the extent that such delays or nonperformance were due to circumstances that would constitute an event of “Force Majeure” as defined above.

**“Governmental Authority”** means any international, national, federal, provincial, state, municipal, county, regional or local government, administrative, judicial or regulatory entity operating under any Applicable Laws and includes any department, commission, bureau, board, administrative agency or regulatory body of any government; provided, “Governmental Authority” shall not in any event include any Party.

**“Letter of Credit”** means an irrevocable, nontransferable, standby letter of credit, in substantially the form of Exhibit 2 or as reasonably agreed to by the Parties, issued by a Qualified Institution, which letter of credit is reasonably acceptable in form and substance to the beneficiary thereof. Costs for Letters of Credit will be borne by the applicant for the Letter of Credit. Any Letter of Credit provided will (i) be for a minimum period of one year, (ii) be renewed or replaced by the applicant not less than thirty (30) days before its expiration, and (iii) provide that the Letter of Credit may be drawn if it is not renewed or replaced at least thirty (30) days before its expiration.

**“Letter of Credit Default”** means, with respect to a Letter of Credit or the issuer thereof, the occurrence of any of the following events, unless the Credit Support Provider will deliver to the Credit Support Beneficiary a replacement Letter of Credit issued by a Qualified Institution in the same face amount and on substantially the same terms as the outstanding Letter of Credit on or before the third Business Day after notice from the Credit Support Beneficiary (or the fifth Business Day after such notice if only the following clause (a) applies): (a) such issuer fails to meet the requirements for a Qualified Institution; (b) such issuer fails to honor the Credit Support Beneficiary's properly documented request to draw on such Letter of Credit or otherwise fails to comply with or perform its obligations under such Letter of Credit; (c) such issuer disaffirms, disclaims, repudiates, or rejects, in whole or in part, or challenges the validity of, such Letter of Credit; (d) such Letter of Credit is not renewed at least thirty (30) days before the expiration of such Letter of Credit in accordance with its terms, or such Letter of Credit expires or terminates, or fails or ceases to be in full force and effect, at any time during the Delivery Period; or (e) such issuer becomes Bankrupt; provided, however, that no Letter of Credit Default will occur or be continuing with respect to a



Letter of Credit after the time such Letter of Credit is required to be canceled or returned to a Party in accordance with the terms of this Confirmation.

“**Moody’s**” means Moody’s Investor Services, Inc. and any successor thereto.

“**NERC**” means the North American Electric Reliability Corporation, or its successor.

“**Planned Outage**” means, subject to and as further described in the CPUC Decisions, a CAISO-approved planned or scheduled disconnection, separation or reduction in capacity of the Project that is conducted for the purposes of carrying out routine repair or maintenance of the Project, or for the purposes of new construction work for the Project, other than Short-Notice Opportunity Maintenance Outages and Off-Peak Opportunity RA Maintenance Outages (as such terms are defined in the Tariff).

“**Project**” has the meaning set forth on the first page hereof.

“**Qualified Institution**” means a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, or a United States branch of a foreign bank, in either case, with (i) a Credit Rating from one or both of S&P and Moody’s, which Credit Rating is at least “A-” from S&P (if such bank has a Credit Rating from S&P) and “A3” from Moody’s (if such bank has a Credit Rating from Moody’s); and (ii) having a net worth of at least ten billion dollars (\$10,000,000,000) at the time of issuance of the Letter of Credit.

“**REC**” or “**Renewable Energy Credit**” means a renewable energy credit as defined by and in accordance with Section 399.12(h) of the California Public Utilities Code.

“**Resource Category**” shall be as described in the California Public Utilities Code Section 339.16(b)(1) and the CPUC Decision 11-12-052.

“**RPS**” means California Renewables Portfolio Standard.

“**Seller’s Credit Support**” means Credit Support posted by Seller pursuant to Special Provision C(1).

“**Storage Products**” means the Energy delivered to, stored in, and discharged by the Project’s battery facility, if any, (measured in MWh) from time to time (plus the RECs and Resource Adequacy Capacity (as such term is defined in the Tariff) associated with such Energy) and, in each case, not delivered or attributed to Buyer (as determined by Seller).

“**Tariff**” means the tariff and protocol provisions of the CAISO, as amended or supplemented from time to time.

“**Transaction**” has the meaning specified in the introductory paragraph hereof and includes this Confirmation.

“**WECC**” means the Western Electricity Coordinating Council or its successor organizations.

“**WREGIS**” means the Western Renewable Energy Generation Information System or its successor systems.

“**WREGIS Certificates**” has the same meaning as “Certificate” as defined by WREGIS in the WREGIS Operating Rules and are designated as eligible for complying with the California Renewables Portfolio Standard.

“**WREGIS Operating Rules**” means those operating rules and requirements adopted by WREGIS as of October 2022, as subsequently amended, supplemented or replaced (in whole or in part) from time to time.

Notwithstanding anything contained in the Master Agreement to the contrary, this Confirmation shall only be effective when executed by both Parties.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Parties have signed this Confirmation effective as of the Effective Date.

<b>Sanborn 2 PV I, LLC</b>	<b>Sacramento Municipal Utility District</b>
By:	By:
Name:	Name:
Title:	Title:

Attachment:    Schedule A – Minimum Annual Contract Quantity and Maximum Annual Contract Quantity  
                  Exhibit 1 – Project Information  
                  Exhibit 2 – Form of Letter of Credit

**SCHEDULE A**

**MINIMUM ANNUAL CONTRACT QUANTITY  
AND  
MAXIMUM ANNUAL CONTRACT QUANTITY**

<b>Contract Year</b>	<b>Minimum Annual Contract Quantity</b>	<b>Maximum Annual Contract Quantity</b>
2027	78,550	155,000
2028	78,158	154,613
2029	77,767	154,226
2030	77,378	153,840
2031	76,991	153,456
2032	76,606	153,072
2033	76,223	152,689
2034	75,842	152,308

**EXHIBIT 1**

**PROJECT INFORMATION**

Name:	Sanborn 2 PV I
Location:	Kern County, CA
MWs (AC)	Approximately 46 MWs
CAISO Resource ID:	[TBD]
Resource Type:	Solar Photovoltaic
Resource Category (1, 2, 3 or 4):	PCC1
Point of interconnection with CAISO Controlled Grid (“Substation”):	Windhub Substation
Path 26 (North, South or None):	South
Local Capacity Area (if any, as of Confirmation Effective Date):	N/A
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment:	N/A
Run Hour Restrictions:	N/A
CEC RPS ID Number:	Seller to provide to Buyer within [180] days of the commencement of the Delivery Period.
NERC ID Number:	Facility expected to be registered with NERC [60 – 90] days prior to COD.
FERC ID Number:	Facility expected to be registered with FERC [60 – 90] days prior to COD.

**EXHIBIT 2**

**FORM OF LETTER OF CREDIT**

[Issuing Bank]  
[Address 1]  
[City, State Zip]  
Attention:

Irrevocable Standby Letter of Credit No. [Bank Use Only]

Date: [Bank Use Only]

***BENEFICIARY***

***APPLICANT***

\_\_\_\_\_  
[complete address]

\_\_\_\_\_  
[complete address]

Amount: US \$ \_\_\_\_\_

Expiry Date: \_\_\_\_\_

**Establishment**

We hereby establish in your favor, \_\_\_\_\_ (the "Beneficiary"), at the request and for the account of \_\_\_\_\_ (the "Applicant"), in connection with the \_\_\_\_\_ agreement dated as of \_\_\_\_\_, this irrevocable standby letter of credit No. \_\_\_\_\_ (the "Letter of Credit"), for drawings up to but not to exceed the aggregate sum of U.S. \$ \_\_\_\_\_ ( \_\_\_\_\_ Dollars and no cents).

Subject to the terms hereof, funds are available to you hereunder against presentation of completed certificate (Exhibit A), and a written statement on Beneficiary's letterhead, dated and signed by your representative, stating one of the following:

1. The undersigned being a duly authorized officer of the \_\_\_\_\_ ("Beneficiary") hereby demands payment of \$ \_\_\_\_\_ and certifies that the amount represents payment due and owing to the Beneficiary which has not been paid by \_\_\_\_\_ ("Applicant") within the agreed upon terms by and between the Beneficiary and Applicant and payment remains unpaid as of the date of this demand.
  
2. The undersigned being a duly authorized officer of the \_\_\_\_\_ ("Beneficiary") hereby demands payment of \$ \_\_\_\_\_ and certifies that the amount represents payment due and owing to the Beneficiary as a result of Applicant's failure to comply with the terms and conditions of the \_\_\_\_\_ agreement by and between Beneficiary and Applicant dated \_\_\_\_\_. Specifically, Applicant has failed to comply with the following:

- a. ...
- b. ....

3. The undersigned being a duly authorized officer of the \_\_\_\_\_ (“Beneficiary”) certifies that letter of credit No. \_\_\_\_\_ will expire in thirty (30) days or less and \_\_\_\_\_ (“Applicant”) has not provided a replacement security acceptable to Beneficiary. Wherefore, the Beneficiary does hereby demand payment of the entire undrawn amount of the Letter of Credit.

Partial and multiple drawings are allowed. The amount which may be drawn under this Letter of Credit shall be automatically reduced by the amount of any drawings previously paid by us hereunder.

### **Presentment**

The original of this Letter of Credit must be presented together with Exhibit A and the above signed, dated written statement. Presentation of these documents shall be made on any day which is a New York Banking Day for us at or prior to [1:00 p.m. (New York)] at our office located at the above address. Presentation may be made (i) in person, (ii) by first class certified and registered U.S. mail, by (iii) overnight mail on or before the expiration date or (iv) by facsimile transmission. If presentation is made by facsimile transaction, original documents are not required.

### **Expiration**

This Letter of Credit shall be deemed automatically extended without an amendment for a one year period beginning on the present expiration date hereof, and upon each anniversary of such date, unless at least sixty (60) days prior to any such expiration date we have sent you written notice by courier service or overnight mail at the above address that we elect not to permit this Letter of Credit to be so extended beyond, and will expire on its then current expiry date. No presentation made under this Letter of Credit after such expiry date will be honored.

### **Irrevocable**

Except as stated herein, this Letter of Credit is not subject to any condition or qualification and is our individual obligation which is in no way contingent upon reimbursement or any right of subrogation. We irrevocably waive any and all rights of subrogation, whether as provided by statute or otherwise, now or hereafter that might, but for such waiver, exist, in respect to this Letter of Credit or any payment we make under it, as to the Applicant, you, or the transaction between you and the Applicant. We further give irrevocable notice that we are not now and will not be the secondary obligor or co-obligator of Applicant’s obligations and liabilities to you for any purpose. Our obligations to you under this Letter of Credit are our primary obligations and are strictly as stated herein. All charges associated with the Letter of Credit are for the account of Applicant.

### **Governing Practices**

This Letter of Credit shall be governed by the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the “ISP98”), except to the extent that the terms hereof are inconsistent with the provisions of the ISP98, in which case the terms of this Letter of Credit shall govern.

Notwithstanding Rule 5.01(a) of the ISP98, the Issuing Bank shall have a reasonable amount of time, not to exceed three (3) banking days following the date of its receipt of documents from the

Beneficiary, to examine the documents and determine whether to take up or provide notice of dishonor and to inform the Beneficiary hereof accordingly.

Notwithstanding Rule 3.14(a) of the ISP98, if on the last business day for presentation, the place for presentation of this Letter of Credit is for any reason closed and presentation is not timely made because of that closure, then the expiry date of this Letter of Credit will be automatically extended without amendment to the thirtieth (30<sup>th</sup>) following day after the place for presentation reopens for business.

[Issuing Bank]

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Authorized Signature



FORM OF SIGHT DRAFT

(INSERT DATE OF SIGHT DRAFT)

TO: (INSERT NAME OF ISSUER) \_\_\_\_\_

ON SIGHT, PAY TO THE ORDER OF (INSERT NAME OF BENEFICIARY)  
\_\_\_\_\_ BY WIRE TRANSFER OF IMMEDIATELY  
AVAILABLE FUNDS TO THE FOLLOWING ACCOUNT:

[NAME OF ACCOUNT]  
[ACCOUNT NUMBER]  
[NAME AND ADDRESS OF BANK AT WHICH ACCOUNT IS MAINTAINED]  
[ABA NUMBER]  
[REFERENCE]

THE FOLLOWING AMOUNT:

[INSERT NUMBER OF DOLLARS IN WRITING] UNITED STATES DOLLARS  
(US\$ [INSERT NUMBER OF DOLLARS IN FIGURES])

DRAWN UPON YOUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. \_\_\_\_\_  
DATED \_\_\_\_\_, \_\_\_\_\_.

{BENEFICIARY}

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

[NAME AND ADDRESS OF BENEFICIARY]



**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, the **California Energy Commission (CEC)** mandates continuously escalating procurement of renewable energy by load-serving entities in California under the **Renewables Portfolio Standard (RPS)**; and

**WHEREAS**, by Resolution No. 21-04-04, adopted on April 15, 2021, this Board revised **Strategic Direction SD-9, Resource Planning**, to align with SMUD's **2030 Zero Carbon Plan** goal of zero greenhouse gas (GHG) emissions in SMUD's energy supply by 2030, reflecting a more aggressive target than the state's **RPS** requirements; and

**WHEREAS**, SMUD received a competitive offer from **Terra-Gen, LLC** for the **Sanborn 2 PV I, LLC project (S2PVI Project)** for 46 MW of solar photovoltaic power (Solar PV); and

**WHEREAS**, SMUD performed an evaluation of the market and determined that the **S2PVI Project** provided superior value versus the available alternatives; and

**WHEREAS**, SMUD has executed an **Edison Electric Institute (EEI) Master Agreement** with **Sanborn 2 PV I, LLC**, a subsidiary of **Terra-Gen, LLC**, and negotiated a **Transaction Confirmation** agreement for an eight-year period (2027-2034) under which SMUD will purchase 46 MW of renewable generation from the **S2PVI Project** located in the California Independent System Operator footprint near Mojave, California, in Kern County at an annual approximate cost of \$4.4 million; and

**WHEREAS**, the **Transaction Confirmation** will secure an annual supply of Portfolio Content Category 1 Renewable Energy Credits (PCC1 RECs) for up to

155,000 MWh annually with a minimum annual guarantee of approximately 75,000 MWh; and

**WHEREAS**, the Solar PV renewable generation from the **Transaction Confirmation** agreement will support SMUD's compliance requirements for **RPS Compliance Period 5 (2025-2027)**, **Compliance Period 6 (2028-2030)** and beyond; and

**WHEREAS**, the price and other terms proposed in the **Transaction Confirmation** agreement are commercially reasonable and benefit SMUD's ratepayers;  
**NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** The Chief Executive Officer and General Manager, or his delegate, is authorized to negotiate and execute the **Transaction Confirmation** agreement with **Sanborn 2 PV I, LLC** for an eight-year term for 46 MW of renewable solar photovoltaic power from the **Sanborn 2 PV I, LLC project (S2PVI Project)** at an annual approximate cost of \$4.4 million, substantially in the form of **Attachment \_\_\_\_\_**, and all other agreements necessary to facilitate the **S2PVI Project**.

**Section 2.** The Chief Executive Officer and General Manager, or his delegate, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the contract; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.



SSS No. E,S,RES 24-10

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date ERCS – 10/15/24
Board Meeting Date October 17, 2024

TO	TO
1. Kirsten DePersis	6. Suresh Kotha
2. Chris Hofmann	7.
3. Frankie McDermott	8.
4. Brandy Bolden	9. <b>Legal</b>
5. Lora Anguay	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>		<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Ellias van Ekelenburg	DEPARTMENT Environmental, Safety and Real Estate Services	MAIL STOP B209	EXT. 7475	DATE SENT 09/20/2024
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**NARRATIVE:**

**Requested Action:** Adopt the California Environmental Quality Act (CEQA) Initial Study and Mitigated Negative Declaration (IS/MND) for the Folsom Administrative Operations Building Project (Project); adopt the Mitigation Monitoring and Reporting Program; and approve the Project.

**Summary:** The Folsom Administrative Operations Building Project (hereinafter referred to as “Project”) consists of constructing and operating an approximately 100,000-square-foot administrative office building and a 100-foot-high communications tower on a vacant six-acre parcel located at 102 Woodmere Road in the City of Folsom. Site improvements would include parking, lighting, landscaping, security features, driveway access, utilities, and street frontage improvements. The Project would be constructed in two phases. Phase 1 would include the construction of approximately 50,000 square feet of the office building and communications tower; and Phase 2 would construct the remaining 50,000 square feet of office building that would connect to the Phase 1 building. Although the Project will require development application approval from the City, it is anticipated the construction of Phase 1 will begin during the 3rd quarter of 2025 and last approximately 18-22 months. Future construction of Phase 2 has not been scheduled and would be anticipated to last approximately 18 months. The administrative office building would contain offices for SMUD employees and operational facilities. Workers at the Project site would include 10 workers for Phase 1 and 30 workers for Phase 2, for a total of 40 workers, split across two-shifts.

The Draft IS/MND was released for a 30-day agency and public review comment period that began on July 23, 2024, and ended on August 22, 2024. Copies of the Draft IS/MND were distributed to the State Clearinghouse of the Governor’s Office of Planning and Research (OPR); SMUD’s Customer Service Center and East Campus Operations Center; and relevant resource agencies (distributed via State Clearinghouse). The Draft IS/MND was also posted on smud.org/ceqa. A public notice was published in the *Sacramento Bee* and sent to landowners and occupants within 1,000 feet from the Project site. A CEQA online public meeting was held on August 8, 2024. No members of the public attended the meeting. Two written comment correspondence were received during the comment period from the Central Valley Regional Water Quality Control Board (CVRWQCB) and Sacramento Metropolitan Air Quality Management District (SMAQMD). The CVRWQCB did not comment on the Draft IS/MND itself, but provided general reference and guidance to the agency’s development regulations. The SMAQMD acknowledged the opportunity to review the Project and had no comment at this time. It should be noted a commentary email from a Folsom resident was received after the comment period regarding the resident’s belief that the sanitary sewer conveyance pipeline serving the Project’s service area is at capacity and inadequate to serve the proposed Project. City staff has reviewed the Project and indicated no concern in providing future sewer service. Thus, none of the comments received warrant any revisions to the Draft IS/MND nor change the Draft IS/MND’s conclusion that the Project, as mitigated, will not cause a significant impact. A copy of the two agency comments, the resident email correspondence, and SMUD’s responses are included in the Final IS/MND.

**Board Policy:** *(Number & Title)* The proposed Project supports the following Board adopted policies: Strategic Direction SD-4, Reliability, by allowing SMUD to support the delivery of reliable service by ensuring the high voltage distribution system remains modern and resilient; Strategic Direction SD-5, Customer Relations, goals by proactively engaging customers and other stakeholders; and Strategic Direction SD-7, Environmental Leadership, goals by avoiding and reducing adverse environmental impacts.

**Benefits:** This Project will modernize and increase the resiliency and reliability of SMUD’s high voltage energy system. Additionally, it will provide greater office and operational space flexibility.

**Cost/Budgeted:** Approved multi-year project 2024-2027 for \$145,000,000

**Alternatives:** Adopt the Initial Study and Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program and approve the Project; return to staff for further study; or reject the Initial Study and Mitigated Negative Declaration.

**Affected Parties:** Transmission Planning, Facilities, City of Folsom, and the general public.

**Coordination:** Environmental Services, Transmission Planning, Facilities, Community Engagement, Real Estate Services, City of Folsom, United Auburn Indian Community of the Auburn Rancheria, Ione Band of Miwok Indians and the general public.

**Presenter:** Ellias van Ekelenburg, Director of Environmental, Safety, and Real Estate Services

**Additional Links:**

Draft and Final Folsom Administrative Operations Building Project IS/MND – [www.smud.org/ceqa](http://www.smud.org/ceqa)

SUBJECT <b>Folsom Administrative Operations Building Project (CEQA)</b>	ITEM NO. (FOR LEGAL USE ONLY) <b>15</b>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# Sacramento Municipal Utility District Folsom Administrative Operations Building Project

Final Initial Study and Mitigated Negative Declaration •

State Clearinghouse Number 2024070894 •

September 2024

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# Sacramento Municipal Utility District Folsom Administrative Operations Building Project

Final Initial Study and Mitigated Negative Declaration •

State Clearinghouse Number 2024070894 •

September 2024

Lead Agency:

Sacramento Municipal Utility District  
6201 S Street,  
Sacramento, CA 95817-1899

or

P.O. Box 15830 MS B209  
Sacramento, CA 95852-1830  
Attn: Jerry Park  
916.732.7406 or [Jerry.Park@smud.org](mailto:Jerry.Park@smud.org)

Prepared by:

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## APPENDICES

A Folsom Administrative Operations Building Project Draft Initial Study and Mitigated Negative Declaration

**LIST OF ABBREVIATIONS**

BMP	Best Management Practice
CARB	California Air Resources Board
CDFW	California Department of Fish and Wildlife
CEQA	California Environmental Quality Act
CVRWQCB	Central Valley Regional Water Quality Control Board
IS/MND	Initial Study/Mitigated Negative Declaration
Mph	Miles Per Hour
NAHC	Native American Heritage Commission
NO <sub>x</sub>	Nitrogen Oxides
NPDES	National Pollution Discharge Elimination System
PM	Particulate Matter
ROG	Reactive Organic Gases
SMAQMD	Sacramento Metropolitan Air Quality Management District
SMUD	Sacramento Municipal Utility District
SQIP	Stormwater Quality Improvement Plan
SSBMI	Shingle Springs Band of Miwok Indians
SSQP	Sacramento Stormwater Quality Plan
SWPPP	Storm Water Pollution Prevention Plan
TAC	Toxic Air Contaminant
UAIC	United Auburn Indian Community
USFWS	U.S. Fish and Wildlife Service
VELB	Valley Elderberry Longhorn Beetle
WEAP	Worker Environmental Awareness Program

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## **EXECUTIVE SUMMARY**

### **Introduction**

This Initial Study/Mitigated Negative Declaration (IS/MND) has been prepared to evaluate the potential physical environmental impacts associated with Sacramento Municipal Utility District's (SMUD) Folsom Administrative Operations Building Project (Project) in compliance with the California Environmental Quality Act (CEQA). SMUD is the lead agency responsible for complying with the provisions of CEQA.

### **Project Description**

SMUD is proposing to construct and operate the Folsom Administrative Operations Building Project in the City of Folsom on an approximately 6-acre project site within the Lake Forest Technical Center. The project involves the construction of up to an approximately 100,000 square foot administrative operations building and a 100-foot-tall communications tower. The Project would be constructed in phases: Phase 1 would include a 50,000-square-foot, one-story structure and communications tower; and Phase 2 would include a 50,000-square-foot, two-story connecting structure.

### **Findings**

As lead agency for compliance with CEQA requirements, SMUD finds that the Project would be implemented without causing a significant adverse impact on the environment. Mitigation measures for potential impacts associated with Air Quality, Biological Resources, Cultural Resources, Tribal Cultural Resources, and Utilities and Service Systems would be implemented as part of SMUD's project through adoption of a mitigation monitoring and reporting program.

### **Cumulative Impacts**

CEQA requires lead agencies to assess whether a project's incremental effects are significant when viewed in connection with the effects of other past, present, and foreseeable future projects. Based on the analysis presented in the Draft IS/MND, the Project would not contribute incrementally to considerable environmental changes when considered in combination with other projects in the area. Therefore, the potential cumulative environmental effects of the Project were determined to be less than cumulatively considerable. All identified potentially significant impacts would be mitigated to less than significant.

### **Growth-Inducing Impacts**

SMUD exists as a public agency to supply electrical energy to customers in the Sacramento area. It has an obligation to serve all new development approved by the local agencies and Sacramento County. SMUD does not designate where and what new development may occur.

## Determination

On the basis of this evaluation, SMUD concludes:

- The Project does not have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered species, or eliminate important examples of the major periods of California history or prehistory.
- The Project would not achieve short-term environmental goals to the disadvantage of long-term environmental goals.
- The Project would not have impacts that are individually limited, but cumulatively considerable.
- The Project would not have environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly.
- No substantial evidence exists to demonstrate that the Project would have a substantive negative effect on the environment.



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Jerry Park  
Environmental Management Specialist

September 18, 2024

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Date

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## 1.0 INTRODUCTION

### 1.1 Project Overview

The Sacramento Municipal Utility District (SMUD) is proposing the Folsom Administrative Operations Building Project (“Project”) to construct and operate up to an approximately 100,000-square-foot administrative operations building and a 100-foot-high communications tower on a six-acre parcel in southwest Folsom. The Project would be located in an area surrounded by the existing industrial and business park uses to the north of State Route 50, west of Folsom Boulevard, and to the east of Lake Natoma. The Project would be developed in two phases: Phase 1 would include a 50,000-square-foot, one-story structure and communications tower; and Phase 2 would include a 50,000-square-foot, two-story connecting structure.

### 1.2 Environmental Process Summary

#### 1.2.1 Review of the Draft IS/MND

Copies of the Draft IS/MND were made available in hard copy form for public review at SMUD offices (Customer Service Center and East Campus Operations Center), posted on SMUD’s public website, and distributed to the State Clearinghouse via the Governor’s Office of Planning and Research. A notice of intent was distributed to property owners and occupants of record within 1,000 feet of the Project alignment. The 30-day public review period began on July 23, 2024 and ended on August 22, 2024. SMUD held a public meeting on August 8, 2024. Two agency comment letters were received during the comment period. One public comment email was received after the comment period. The comments and SMUD’s written responses are presented in Section 2.0 of this document. As noted in Section 2.0, the conclusions presented in the Draft IS/MND were not altered in response to comments received.

#### 1.2.2 Preparation of the Final IS/MND

The comment letters were reviewed, and responses were prepared (see Section 2.0). Based on the comments received, there were no new environmental effects identified. The Final IS/MND does not incorporate any changes to the Project description or to the Initial Study checklist responses in the Draft IS/MND (provided as Appendix A of this Final IS/MND).

#### CEQA Guidelines

CEQA Guidelines Section 15073.5 provides the conditions for determining if recirculation of a negative declaration is required before adoption. Section 15073.5(a) states:

*A lead agency is required to recirculate a negative declaration when the document must be substantially revised after public notice of its availability has previously been given pursuant to Section 15072, but prior to adoption.*

According to Section 15073.5(b), a substantial revision is defined as:

- (1.) A new, avoidable significant effect is identified, and mitigation measures or project revisions must be added in order to reduce the effect to insignificance, or
- (2.) The lead agency determines that the proposed mitigation measures or project revisions will not reduce potential effects to less than significance and new measures or revisions must be required.

SMUD has determined that none of the aforementioned conditions were satisfied following public notice; therefore, recirculation of the Draft IS/MND is not required. SMUD, as the lead agency, may proceed to present the Final IS/MND to the SMUD Board for action.

Circumstances under which recirculation is not required include:

- (1.) Mitigation measures are replaced with equal or more effective measures pursuant to Section 15074.1.
- (2.) New project revisions are added in response to written or verbal comments on the project's effects identified in the proposed negative declaration which are not new avoidable significant effects.
- (3.) Measures or conditions of project approval are added after circulation of the negative declaration which are not required by CEQA, which do not create new significant environmental effects and are not necessary to mitigate an avoidable significant effect.
- (4.) New information is added to the negative declaration which merely clarifies, amplifies, or makes insignificant modifications to the negative declaration. (Section 15073.5[c])

No changes to the checklist in the Draft IS/MND is required; therefore, recirculation of the Draft IS/MND is not required.

### **1.3 Mitigation Measures**

This section presents the mitigation measures SMUD would implement to address potential impacts on Air Quality (as addressed in 3.2 of the Draft IS/MND), Biological Resources (as addressed in 3.4 of the Draft IS/MND), Cultural Resources (as addressed in 3.5 of the Draft IS/MND), Tribal Cultural Resources (as addressed in 3.18 of the Draft IS/MND), and Utilities and Service Systems (as addressed in 3.19 of the Draft IS/MND). These measures reflect text revisions as documented in the Final IS/MND.



### 1.3.1 Air Quality

#### **Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard**

As discussed in Section 3.3, “Air Quality” of the Draft IS/MND, the Project’s projected maximum construction and operational emissions do not exceed SMAQMD’s daily or annual construction emission standards. However, SMAQMD predicates the particulate matter standard on adherence to their *Basic Construction Emission Control Practices and Best Management Practices*. Without the application of the SMAQMD’s BMPs, this impact would be potentially significant.

Implementation of Mitigation Measure 3.3-1 would reduce project construction emissions and ensure that Project related emissions of NO<sub>x</sub>, ROG, PM<sub>10</sub>, and PM<sub>2.5</sub> would not exceed SMAQMD thresholds during construction activities. The Project would implement SMAQMD BMPs to reduce fugitive dust emissions to the extent feasible. With implementation of Mitigation Measure 3.3-1, this impact would be **less than significant**.

#### **Mitigation Measure 3.3-1. Implement SMAQMD Emissions Controls and BMPs.**

*SMUD or the authorized contractor will adhere to the SMAQMD basic construction emissions control practices, including, but not limited to the measures listed below, and additional measures designed to limit diesel particulate matter:*

- *Water all exposed surfaces two times daily. Exposed surfaces include, but are not limited to soil piles, graded areas, unpaved parking areas, staging areas, and access roads;*
- *Cover or maintain at least two feet of free board space on haul trucks transporting soil, sand, or other loose material on the site. Any haul trucks that would be traveling along freeways or major roadways should be covered;*
- *Use wet power vacuum street sweepers to remove any visible track-out mud or dirt onto adjacent public roads at least once a day. Use of dry power sweeping is prohibited;*
- *Limit vehicle speeds on unpaved roads to 15 miles per hour (mph);*
- *All roadways, driveways, sidewalks, parking lots to be paved should be completed as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used;*

- *Minimize idling time either by shutting equipment off when not in use or reducing the time of idling to 5 minutes [California Code of Regulations, Title 13, sections 2449(d)(3) and 2485]. Provide clear signage that posts this requirement for workers at the entrances to the site;*<sup>1</sup>
- *Provide current certificate(s) of compliance for CARB's In-Use Off-Road Diesel-Fueled Fleets Regulation [California Code of Regulations, Title 13, sections 2449 and 2449.1];*<sup>2</sup> and
- *Maintain all construction equipment in proper working condition according to manufacturer's specifications. The equipment must be checked by a certified mechanic and determined to be running in proper condition before it is operated.*

### **Expose sensitive receptors to substantial pollutant concentrations**

As discussed in Section 3.3, "Air Quality" of the Draft IS/MND, Uncontrolled emissions of fugitive dust may also contribute to potential increases in nuisance impacts to nearby receptors. Construction generated fugitive dust, generally associated with PM<sub>10</sub>, would be limited by implementation of SMAQMD construction BMPs.

In regard to toxic air contaminant (TAC) emissions, total PM<sub>10</sub> emissions from both construction and operation would be well below the SMAQMD significance thresholds for criteria pollutant assessment. The Project would not involve emissions at levels consistent with intensive or long-lasting construction activities nor expose threshold amounts during operation of the facility.

These localized, short-term emissions would be reduced with the implementation of Mitigation Measure 3.3-1, which requires adherence to all applicable SMAQMD construction emissions control practices. With implementation of Mitigation Measure 3.3-1, this impact would be **less than significant**.

#### **Mitigation Measure 3.3-1. Implement SMAQMD Emissions Controls and BMPs.**

### **1.3.2 Biological Resources**

#### **Have a substantial Adverse effect on special-status species**

As described in Section 3.4, "Biological Resources" of the Draft IS/MND, three special-status species have low potential to occur in the project site, including monarch butterfly, valley elderberry longhorn beetle, and Swainson's hawk and one species, northwestern pond turtle has a moderate potential to occur. The Project could have a potentially significant impact to these species.

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<sup>1</sup> This BMP for idling specifically applies to diesel-powered equipment. Non-diesel vehicles are not required to limit idling time.

<sup>2</sup> This BMP specifically applies to diesel-powered equipment.

Implementation of Mitigation Measure 3.4-1 would reduce impacts to special-status species and sensitive habitats through avoidance and compliance with the National Pollutant Discharge Elimination System (NPDES) Statewide construction general permit for stormwater runoff which would subject the Project to comply with state and federal water quality regulations and require development of a stormwater pollution prevention plan (SWPPP). In addition, Mitigation Measure 3.4-1 provides for preconstruction surveys and avoidance actions, the implementation of which would avoid adverse impacts to special-status species that could be affected by project construction. With implementation of Mitigation Measures 3.4-1, the potential impacts to special-status plant species would be reduced to a **less-than-significant** level.

**Mitigation Measure 3.4-1: Impacts to Special-Status Species, Sensitive Habitats, and Aquatic Resources:**

*The following actions shall be undertaken to reduce impacts to special-status species:*

- 1. A Storm Water Pollution Prevention Plan (SWPPP) shall be developed prior to the ground disturbing activities. The SWPPP shall identify specific best management practices (BMPs) which shall be implemented during construction to prevent discharges of sediment, oil, turbid water, and/or other potential toxic or hazardous substances to surface waters. The BMPs shall be installed and maintained so that they demonstrate effectiveness.*
- 2. All areas of earth disturbance remaining after project implementation shall be stabilized and revegetated with a native seed mix.*
- 3. Avoided trees shall be protected during construction activities. Specifically, work shall not be conducted within dripline of native oak trees to prevent vehicles from damaging the roots.*
- 4. Removal of any native oak trees shall adhere to the replacement ratios required by the Sacramento County Tree Ordinance.*
- 5. All work equipment shall be washed at an offsite location.*
- 6. All fueling and maintenance of vehicles and equipment shall occur a minimum of 100 feet from aquatic resources and away from the dripline of native oak trees.*
- 7. All vehicles and equipment shall be inspected for leaks prior to use.*
- 8. Prior to construction, but not more than 14 days before grading, demolition or site preparation activities, a qualified biologist shall conduct a pre-construction survey to determine the presence of western pond turtles on or adjacent to the Project site. A temporary non-climbable fencing (or other solid fencing/barrier) shall be installed along the Project boundary adjacent to Lake Natoma as to exclude turtles from the active construction zone. If turtles are found within the construction zone, they shall be moved out of harm's way to appropriate areas by a qualified biologist as approved by CDFW and/or USFWS.*
- 9. No elderberry shrubs (potential habitat for VELB) were observed within the Biological Study Area during the survey conducted on February 15, 2024. If more than two years have passed since the site visit, additional surveys for the elderberry shrubs shall be conducted by a qualified biologist prior to the start of work. If present, the USFWS shall*

*be consulted to determine appropriate avoidance, minimization, and mitigation measures.*

10. *Pre-construction surveys shall be conducted by a qualified biologist during the appropriate bloom time to determine if milkweed (host plant for the monarch butterfly) is present. If present, CDFW shall be consulted to determine appropriate avoidance, minimization, and mitigation measures.*
11. *To avoid impacts to common and special-status migratory birds pursuant to the Migratory Bird Treaty Act and CDFW Codes, a nesting survey shall be conducted prior to construction activities if the work is scheduled between February 1 and August 31. The pre-construction nesting bird surveys will identify on-site bird species. If no nesting birds are found in or within 500 feet of the Project alignment during the pre-construction clearance surveys, construction activities may proceed as scheduled.*

*If pre-nesting behavior is observed, but an active nest has not yet been established (e.g., courtship displays, but no eggs in a constructed nest), a nesting bird deterrence and removal program will be implemented. Such deterrence methods include removal of previous year's nesting materials and removal of partially completed nests in progress. Once a nest is situated and identified with eggs or young, it is considered to be "active" and the nest cannot be removed until the young have fledged.*

*If an active nest is found in or within 500 feet of the Project alignment during construction, a "No Construction" buffer zone will be established around the active nest (usually a minimum radius of 50 feet for passerine birds and 500 feet for raptors) to minimize the potential for disturbance of the nesting activity. The Project biologist/biological monitor will determine and flag the appropriate buffer size required, based on the species, specific situation, tolerances of the species, and the nest location. Project activities will resume in the buffer area when the Project biologist/biological monitor has determined that the nest(s) is (are) no longer active or the biologist has determined that with implementation of an appropriate buffer, work activities would not disturb the birds nesting behavior.*

*If special-status bird species are found nesting in or within 500 feet of the Project site, SMUD's Environmental Services shall notify CDFW or USFWS, as appropriate, within 24 hours of first nesting observation shall be consulted to determine appropriate avoidance, minimization, and mitigation measures.*

### **1.3.3 Cultural Resources**

#### **Adverse change in the significance of an archaeological resource**

As described in Section 3.5, "Cultural Resources" of the Draft IS/MND, no pre-contact archaeological resources were identified within the Project site and the archaeological sensitivity assessment

determined a relatively low potential to uncover buried archaeological resources in the Project site. While unlikely, there remains the possibility that archaeological resources could be found during ground disturbing activities associated with construction of the Project.

Potential significant impacts to previously undiscovered archaeological resources would be avoided through implementation of Mitigation Measure 3.5-1, which would implement worker training as well as procedures to be implemented in the event of inadvertent discovery of Cultural Resources. With implementation of Mitigation Measure 3.5-1, this impact would be reduced to **less than significant**.

**Mitigation Measure 3.5-1: Worker Environmental Awareness and Cultural Respect Training and Procedures for Inadvertent Discovery of Cultural Resources**

*Prior to excavation or other subsurface disturbance activities, individuals conducting the work will be required to participate in Worker Environmental Awareness and Cultural Respect Training. Workers will be advised to watch for cultural resource materials. If workers observe any evidence of pre-contact cultural resources (freshwater shells, beads, bone tool remnants or an assortment of bones, soil changes including subsurface ash lens or soil darker “midden” in color than surrounding soil, lithic materials such as flakes, tools or grinding rocks, etc.), or historic cultural resources (adobe foundations or walls, structures and remains with square nails, refuse deposits or bottle dumps, often associated with wells or old privies), all ground-disturbing activity within 100 feet of the discovery must immediately cease and a qualified archaeologist must be consulted to assess the significance of the cultural materials. SMUD will be notified of the potential find and a qualified archeologist shall be retained to investigate its significance. If the qualified archaeologist determines the archaeological material to be Native American in nature, Mitigation Measure 3.18-1 shall be implemented. If the find is determined to be significant by the archaeologist (i.e., because it is determined to constitute a unique archaeological resource), the archaeologist shall work with SMUD to develop and implement appropriate procedures to protect the integrity of the resource and ensure that no additional resources are affected. Procedures could include but would not necessarily be limited to preservation in place, archival research, subsurface testing, or contiguous block unit excavation and data recovery.*

**Disturbance of any human remains**

As described in Section 3.5, “Cultural Resources” of the Draft IS/MND, there are no known past cemeteries or burials on the project site or immediate area. While unlikely, because earthmoving activities associated with Project construction would occur, there is potential to encounter buried human remains or unknown cemeteries in areas with little or no previous disturbance.

Implementation of Mitigation Measure 3.5-2 would reduce potential impacts related to human remains to a **less-than-significant** level through the implementation of procedures to be implemented if human remains are discovered during construction.

**Mitigation Measure 3.5-2: Procedures for Discovery of Human Remains**

*If human remains are discovered, all work within a 100 feet of the find must immediately cease, and the local coroner must be contacted. Procedures for the discovery of human remains will be followed in accordance with provisions of the State Health and Safety Code, Sections 7052 and 7050.5 and the State Public Resources Code Sections 5097.9 to 5097.99. If the Coroner determines that the remains are those of Native American origin, the Coroner shall contact the Native American Heritage Commission (NAHC) and subsequent procedures shall be followed, according to State Public Resources Code Sections 5097.9 to 5097.99, regarding notification of the Native American Most Likely Descendant. Following the coroner's and NAHC's findings, SMUD and the NAHC-designated Most Likely Descendant shall determine the ultimate treatment and disposition of the remains and take appropriate steps to ensure that additional human interments are not disturbed.*

**1.3.4 Tribal Cultural Resources****Substantial adverse change in the significance of a Tribal cultural resource**

As described in Section 3.18, "Tribal Cultural Resources", the identification of Tribal cultural resources for this Project by United Auburn Indian Community (UAIC) and the Lone Band of Miwok Indians included a review of pertinent literature and historic maps, and a records search using Tribal historic records and information databases. The UAIC reviewed the proposed Project site within their database – UAIC requested the standard mitigation measure for inadvertent discoveries to be included for this Project.

Consultation with UAIC, Wilton Rancheria and Shingle Springs Band of Miwok Indians (SSBMI) revealed no known Tribal cultural resources on the Project site as defined in PRC Section 21074; however, the area is potentially sensitive for unknown Tribal cultural resources. Therefore, it is possible that yet-undiscovered Tribal cultural resources could be encountered or damaged during ground-disturbing construction activities.

Implementation of Mitigation Measure 3.18-1, 3.18-2, 3.18-3, and 3.5-2 would reduce impacts to Tribal cultural resources to a ***less than significant*** level.

**Mitigation Measure 3.18-1: Worker Environmental Awareness and Cultural Respect Training and Procedures for Discovery of Potential Tribal Cultural Resources**

*All construction personnel must receive Tribal Cultural Resources Sensitivity and Awareness Training (Worker Environmental Awareness Program [WEAP]), including field consultants and construction workers. The WEAP shall be developed in coordination with interested Native American Tribes.*

*The WEAP shall be conducted before any project-related construction activities begin at the Project site. The WEAP will include relevant information regarding sensitive cultural resources and Tribal cultural resources, including applicable regulations, protocols for avoidance, and consequences of*

*violating State laws and regulations. The WEAP will also describe appropriate avoidance and impact minimization measures for cultural resources and Tribal cultural resources that could be located at the Project site and will outline what to do and who to contact if any potential cultural resources or Tribal cultural resources are encountered. The WEAP will emphasize the requirement for confidentiality and culturally appropriate treatment of any discovery of significance to Native Americans and will discuss appropriate behaviors and responsive actions, consistent with Native American Tribal values. The training may be done in coordination with the Project archaeologist.*

*All ground-disturbing equipment operators shall be required to receive the training and sign a form that acknowledges receipt of the training.*

*During excavation or other substantial subsurface disturbance activities, all construction personnel must follow procedures and the direction of archeologists and Tribal monitors if any cultural resource materials are observed.*

**Mitigation Measure 3.18-2: Spot Check Monitoring for Tribal Cultural Resources**

*SMUD shall invite representatives of UAIC to periodically inspect the active areas of the Project, including any soil piles, trenches, or other disturbed areas. UAIC shall be notified at least 48 hours prior to start of construction.*

**Mitigation Measure 3.18-3: Unanticipated Discovery of Tribal Cultural Resources**

*If any suspected TCRs are discovered by any person on site during ground disturbing construction activities all work shall cease within 100 feet of the find, or an agreed upon distance based on the project area and nature of the find. A Tribal Representative from the consulting Tribe or a California Native American tribe that is traditionally and culturally affiliated with a geographic area shall be immediately notified and shall determine if the find is a TCR (PRC §21074). The Tribal Representative will make recommendations for further evaluation and treatment as necessary.*

*Preservation in place is the preferred option for mitigation of TCRs under CEQA and Tribal protocols, and every effort shall be made to preserve the resources in place, including through project redesign. If adverse impacts to TCRs, unique archeology, or other cultural resources occurs, then consultation with Tribes regarding mitigation contained in the Public Resources Code §21084.3(a) and (b) and CEQA Guidelines §15370 should occur, in order to coordinate for compensation for the impact by replacing or providing substitute resources or environments.*

*Culturally appropriate treatment may be, but is not limited to, processing materials for reburial, minimizing handling of cultural objects, leaving objects in place within the landscape, or returning objects to a location within the project area where they will not be subject to future impacts. Permanent curation of TCRs and cultural belongings will not take place unless approved in writing by the consulting Tribe.*

*Treatment that preserves or restores the cultural character and integrity of a TCR may include paid Tribal Monitoring, culturally appropriate recovery of cultural objects, and reburial of cultural objects or cultural soil. These recommendations will be documented in the project record. For any recommendations made by traditionally and culturally affiliated Native American Tribes that are not implemented, a justification for why the recommendation was not followed will be provided in the project record.*

*SMUD shall preserve TCR's in place, avoid, or minimize impacts to the resource, including, but not limited to, facilitating the appropriate Tribal treatment of the find, as necessary. Treatment that preserves or restores the cultural character and integrity of a TCR may include Tribal Monitoring, culturally appropriate recovery of cultural objects, and reburial of cultural objects and belongings or cultural soil.*

*Work at the discovery location cannot resume until all necessary investigation and evaluation of the discovery under the requirements of CEQA, including AB52, have been satisfied.*

**Mitigation Measure 3.5-2: Procedures for Discovery of Human Remains** (Described in Section 3.5, Cultural Resources)

### **1.3.5 Utilities and Service Systems**

#### **Result in significant environmental effects from the relocation or construction of new or expanded utility infrastructure**

As described in Section 3.19, "Utilities and Service Systems" the Project would require relocation of the existing drainage infrastructure within the Project site. The relocation of drainage facilities would be required to place all accesses within existing public right of way, as required by the City of Folsom's Environmental & Water Resources Department. The potential environmental effects of onsite construction, including the installation of water and sewer lines and construction of the proposed drainage easement and associated facilities are identified throughout this document and, where necessary, mitigation measures are provided to reduce them to less than significant levels. These include Mitigation Measure 3.3-1, which requires adherence to all applicable SMAQMD construction emissions control practices; Mitigation Measure 3.4-1, which requires various measures to avoid impacts to special-status species and habitats; Mitigation Measures 3.5-1 and 3.5-2, which provide procedures to avoid impacts to cultural resources and human remains; and, Mitigation Measures 3.18-1 through 3.18-3, which provide procedures to avoid impacts to tribal cultural resources. The mitigation measures listed above would reduce this impact to a **less than significant** level by requiring implementation of various measures during construction activities to avoid or minimize adverse effects to air quality, biological resources, cultural resources, and tribal cultural resources. With implementation of these measures, this impact would be less than significant.



**Mitigation Measure 3.3-1. Implement SMAQMD Emissions Controls and BMPs.**

**Mitigation Measure 3.4-1. Impacts to Special-Status Species, Sensitive Habitats, and Aquatic Resources.**

**Mitigation Measure 3.5-1. Worker Environmental Awareness and Cultural Respect Training and Procedures for Inadvertent Discovery of Cultural Resources.**

**Mitigation Measure 3.5-2. Procedures for Discovery of Human Remains.**

**Mitigation Measure 3.18-1. Worker Environmental Awareness and Cultural Respect Training and Procedures for Discovery of Potential Tribal Cultural Resources.**

**Mitigation Measure 3.18-2. Spot Check Monitoring for Tribal Cultural Resources.**

**Mitigation Measure 3.18-3. Unanticipated Discovery of Tribal Cultural Resources.**

## **1.4 CEQA Determination**

SMUD has determined that although the Project could have a significant effect on the environment, a significant effect would not occur with implementation of the aforementioned mitigation measures because the proposed mitigation measures would reduce the effects of any impacts to below the established thresholds of significance. Therefore, SMUD published the proposed MND and supporting IS on July 23, 2024, and SMUD's Board of Directors will consider adoption of the MND at a Board meeting on October 17, 2024.

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## 2.0 COMMENTS AND RESPONSES

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### 2.1 Introduction

The Draft IS/MND for the Project was circulated for a 30-day public review period (July 23, 2024 to August 22, 2024). During the public comment period, SMUD received two agency comment letters, one from the Central Valley Regional Water Quality Control Board (CVRWQCB) and one from the Sacramento Metropolitan Air Quality Management District (SMAQMD). One public comment email was received after the public comment period from Laurette Laurent. These commentators are listed in Table 2-1.

TABLE 2-1 LIST OF COMMENTERS

Letter Number	Name
1	Peter G. Minkel Central Valley Regional Water Quality Control Board August 22, 2024
2	Roberto Ramirez Sacramento Metropolitan Air Quality Management District August 21, 2024
3	Laurette Laurent August 31, 2024

### 2.2 Responses to Comments

The comment letters identified in Table 2-1 and SMUD's responses to comments are provided on the following pages.



Letter 1

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## Central Valley Regional Water Quality Control Board

22 August 2024

Jerry Park  
Sacramento Municipal Utility District  
6201 S Street  
Sacramento, CA 95817  
[jerry.park@smud.org](mailto:jerry.park@smud.org)

### **COMMENTS TO REQUEST FOR REVIEW FOR THE MITIGATED NEGATIVE DECLARATION, FOLSOM ADMINISTRATIVE OPERATIONS BUILDING PROJECT, SCH#2024070894, SACRAMENTO COUNTY**

Pursuant to the State Clearinghouse's 24 July 2024 request, the Central Valley Regional Water Quality Control Board (Central Valley Water Board) has reviewed the *Request for Review for the Mitigated Negative Declaration* for the Folsom Administrative Operations Building Project, located in Sacramento County.

1-1

Our agency is delegated with the responsibility of protecting the quality of surface and groundwaters of the state; therefore our comments will address concerns surrounding those issues.

#### **I. Regulatory Setting**

##### **Basin Plan**

The Central Valley Water Board is required to formulate and adopt Basin Plans for all areas within the Central Valley region under Section 13240 of the Porter-Cologne Water Quality Control Act. Each Basin Plan must contain water quality objectives to ensure the reasonable protection of beneficial uses, as well as a program of implementation for achieving water quality objectives with the Basin Plans. Federal regulations require each state to adopt water quality standards to protect the public health or welfare, enhance the quality of water and serve the purposes of the Clean Water Act. In California, the beneficial uses, water quality objectives, and the Antidegradation Policy are the State's water quality standards. Water quality standards are also contained in the National Toxics Rule, 40 CFR Section 131.36, and the California Toxics Rule, 40 CFR Section 131.38.

1-2

The Basin Plan is subject to modification as necessary, considering applicable laws, policies, technologies, water quality conditions and priorities. The original Basin Plans were adopted in 1975, and have been updated and revised periodically as required, using Basin Plan amendments. Once the Central Valley Water Board has adopted a Basin Plan amendment in noticed public hearings, it must be approved by

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MARK BRADFORD, CHAIR | PATRICK PULUPA, ESQ., EXECUTIVE OFFICER

11020 Sun Center Drive #200, Rancho Cordova, CA 95670 | [www.waterboards.ca.gov/centralvalley](http://www.waterboards.ca.gov/centralvalley)

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the State Water Resources Control Board (State Water Board), Office of Administrative Law (OAL) and in some cases, the United States Environmental Protection Agency (USEPA). Basin Plan amendments only become effective after they have been approved by the OAL and in some cases, the USEPA. Every three (3) years, a review of the Basin Plan is completed that assesses the appropriateness of existing standards and evaluates and prioritizes Basin Planning issues. For more information on the *Water Quality Control Plan for the Sacramento and San Joaquin River Basins*, please visit our website:  
[http://www.waterboards.ca.gov/centralvalley/water\\_issues/basin\\_plans/](http://www.waterboards.ca.gov/centralvalley/water_issues/basin_plans/)

1-2  
cont

#### **Antidegradation Considerations**

All wastewater discharges must comply with the Antidegradation Policy (State Water Board Resolution 68-16) and the Antidegradation Implementation Policy contained in the Basin Plan. The Antidegradation Implementation Policy is available on page 74 at:  
[https://www.waterboards.ca.gov/centralvalley/water\\_issues/basin\\_plans/sacsjr\\_2018\\_05.pdf](https://www.waterboards.ca.gov/centralvalley/water_issues/basin_plans/sacsjr_2018_05.pdf)

In part it states:

*Any discharge of waste to high quality waters must apply best practicable treatment or control not only to prevent a condition of pollution or nuisance from occurring, but also to maintain the highest water quality possible consistent with the maximum benefit to the people of the State.*

1-3

*This information must be presented as an analysis of the impacts and potential impacts of the discharge on water quality, as measured by background concentrations and applicable water quality objectives.*

The antidegradation analysis is a mandatory element in the National Pollutant Discharge Elimination System and land discharge Waste Discharge Requirements (WDRs) permitting processes. The environmental review document should evaluate potential impacts to both surface and groundwater quality.

## **II. Permitting Requirements**

### **Construction Storm Water General Permit**

Dischargers whose project disturb one or more acres of soil or where projects disturb less than one acre but are part of a larger common plan of development that in total disturbs one or more acres, are required to obtain coverage under the General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities (Construction General Permit), Construction General Permit Order No. 2009-0009-DWQ. Construction activity subject to this permit includes clearing, grading, grubbing, disturbances to the ground, such as stockpiling, or excavation, but does not include regular maintenance activities performed to restore the original line, grade, or capacity of the facility. The Construction General Permit requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP). For more information on the Construction General Permit, visit the State Water Resources Control Board website at:

1-4

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[http://www.waterboards.ca.gov/water\\_issues/programs/stormwater/constpermits.shtml](http://www.waterboards.ca.gov/water_issues/programs/stormwater/constpermits.shtml)

1-4  
cont

**Clean Water Act Section 404 Permit**

If the project will involve the discharge of dredged or fill material in navigable waters or wetlands, a permit pursuant to Section 404 of the Clean Water Act may be needed from the United States Army Corps of Engineers (USACE). If a Section 404 permit is required by the USACE, the Central Valley Water Board will review the permit application to ensure that discharge will not violate water quality standards. If the project requires surface water drainage realignment, the applicant is advised to contact the Department of Fish and Game for information on Streambed Alteration Permit requirements. If you have any questions regarding the Clean Water Act Section 404 permits, please contact the Regulatory Division of the Sacramento District of USACE at (916) 557-5250.

**Clean Water Act Section 401 Permit – Water Quality Certification**

If an USACE permit (e.g., Non-Reporting Nationwide Permit, Nationwide Permit, Letter of Permission, Individual Permit, Regional General Permit, Programmatic General Permit), or any other federal permit (e.g., Section 10 of the Rivers and Harbors Act or Section 9 from the United States Coast Guard), is required for this project due to the disturbance of waters of the United States (such as streams and wetlands), then a Water Quality Certification must be obtained from the Central Valley Water Board prior to initiation of project activities. There are no waivers for 401 Water Quality Certifications. For more information on the Water Quality Certification, visit the Central Valley Water Board website at:

[https://www.waterboards.ca.gov/centralvalley/water\\_issues/water\\_quality\\_certification/](https://www.waterboards.ca.gov/centralvalley/water_issues/water_quality_certification/)

1-5

**Waste Discharge Requirements – Discharges to Waters of the State**

If USACE determines that only non-jurisdictional waters of the State (i.e., “non-federal” waters of the State) are present in the proposed project area, the proposed project may require a Waste Discharge Requirement (WDR) permit to be issued by Central Valley Water Board. Under the California Porter-Cologne Water Quality Control Act, discharges to all waters of the State, including all wetlands and other waters of the State including, but not limited to, isolated wetlands, are subject to State regulation. For more information on the Waste Discharges to Surface Water NPDES Program and WDR processes, visit the Central Valley Water Board website at: [https://www.waterboards.ca.gov/centralvalley/water\\_issues/waste\\_to\\_surface\\_water/](https://www.waterboards.ca.gov/centralvalley/water_issues/waste_to_surface_water/)

Projects involving excavation or fill activities impacting less than 0.2 acre or 400 linear feet of non-jurisdictional waters of the state and projects involving dredging activities impacting less than 50 cubic yards of non-jurisdictional waters of the state may be eligible for coverage under the State Water Resources Control Board Water Quality Order No. 2004-0004-DWQ (General Order 2004-0004). For more information on the General Order 2004-0004, visit the State Water Resources Control Board website at:

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[https://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/water\\_quality/2004/wqo/wqo2004-0004.pdf](https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2004/wqo/wqo2004-0004.pdf)

1-5  
 cont

**Dewatering Permit**

If the proposed project includes construction or groundwater dewatering to be discharged to land, the proponent may apply for coverage under State Water Board General Water Quality Order (Low Threat General Order) 2003-0003 or the Central Valley Water Board's Waiver of Report of Waste Discharge and Waste Discharge Requirements (Low Threat Waiver) R5-2018-0085. Small temporary construction dewatering projects are projects that discharge groundwater to land from excavation activities or dewatering of underground utility vaults. Dischargers seeking coverage under the General Order or Waiver must file a Notice of Intent with the Central Valley Water Board prior to beginning discharge.

1-6

For more information regarding the Low Threat General Order and the application process, visit the Central Valley Water Board website at:

[https://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/water\\_quality/2003/wqo/wqo2003-0003.pdf](https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2003/wqo/wqo2003-0003.pdf)

For more information regarding the Low Threat Waiver and the application process, visit the Central Valley Water Board website at:

[https://www.waterboards.ca.gov/centralvalley/board\\_decisions/adopted\\_orders/waivers/r5-2018-0085.pdf](https://www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/waivers/r5-2018-0085.pdf)

**Limited Threat General NPDES Permit**

If the proposed project includes construction dewatering and it is necessary to discharge the groundwater to waters of the United States, the proposed project will require coverage under a National Pollutant Discharge Elimination System (NPDES) permit. Dewatering discharges are typically considered a low or limited threat to water quality and may be covered under the General Order for *Limited Threat Discharges to Surface Water* (Limited Threat General Order). A complete Notice of Intent must be submitted to the Central Valley Water Board to obtain coverage under the Limited Threat General Order. For more information regarding the Limited Threat General Order and the application process, visit the Central Valley Water Board website at:

1-7

[https://www.waterboards.ca.gov/centralvalley/board\\_decisions/adopted\\_orders/general\\_orders/r5-2016-0076-01.pdf](https://www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/general_orders/r5-2016-0076-01.pdf)

**NPDES Permit**

If the proposed project discharges waste that could affect the quality of surface waters of the State, other than into a community sewer system, the proposed project will require coverage under a National Pollutant Discharge Elimination System (NPDES) permit. A complete Report of Waste Discharge must be submitted with the Central Valley Water Board to obtain a NPDES Permit. For more information regarding the NPDES Permit and the application process, visit the Central Valley Water Board website at: <https://www.waterboards.ca.gov/centralvalley/help/permit/>

1-8

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If you have questions regarding these comments, please contact me at (916) 464-4684  
or [Peter.Minkel2@waterboards.ca.gov](mailto:Peter.Minkel2@waterboards.ca.gov).



Peter G. Minkel  
Engineering Geologist

cc: State Clearinghouse unit, Governor's Office of Planning and Research,  
Sacramento

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**Letter 1****Central Valley Regional Water Quality Control Board**

Peter G. Minkel

August 22, 2024

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- 1-1 The comment provides introductory remarks to the comment letter. This comment does not raise environmental issues or concerns regarding the adequacy, accuracy, or completeness of the environmental document. The comment is noted and will be provided to the SMUD Board for review during Project consideration of the Project for approval. No further response is necessary.
- 1-2 The comment provides information related to the Basin Plan. This comment does not raise environmental issues or concerns. No further response can be provided.
- 1-3 The comment provides an overview of the Antidegradation Policy (State Water Board Resolution 68-16). Impacts on surface and groundwater quality are addressed in Section 3.10, "Hydrology and Water Quality," in the Draft IS/MND. No changes to the document are necessary.
- 1-4 The comment identifies general permitting requirements, related to the State Water Resources Control Board's Construction General Plan Order No. 2009-0009-DWQ. As discussed in Section 3.10, "Hydrology and Water Quality," the City of Folsom has a Phase I National Pollutant Discharge Elimination System (NPDES) permit and is part of the Sacramento Stormwater Quality Partnership (SSQP). The City of Folsom is regulated by Order No. R5-2002-0206 NPDES No. CAS082597, "Waste Discharge Requirements for County of Sacramento and the Cities Citrus Heights, Elk Grove, Folsom, Galt and Sacramento Storm Water Discharges From Municipal Separate Storm Sewer Systems Sacramento County" issued by the Central Valley Regional Water Quality Control Board (CVRWQCB). The discharge of sediment and pollutants into stormwater runoff could adversely affect the water quality in the Project area. However, the SWRCB adopted statewide general NPDES permits for stormwater discharge associated with construction and operation that requires implementation of Best Management Practices (BMPs) to protect water quality.

The Project would be required to implement all applicable goals, policies, and BMPs set forth by the above programs. BMPs to be implemented during Project construction would likely include, but are not limited to, installation of storm drain inlet protection, stabilization of construction exits, and proper maintenance of material stockpiles. BMPs to be implemented during Project operation would include the diversion of stormwater through water quality swales and routine inspection and maintenance of onsite BMPs.

The Project's compliance with the requirements of the CVRWQCB, the SQIP, and the City of Folsom's Stormwater Quality Program would ensure that neither construction nor operation of the Project results in degradation of downstream water quality or an increase in erosion. The



Project would not violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality. No changes to the document are required in response to this comment.

- 1-5 The comment provides an overview of permit requirements associated with Clean Water Act Section 404, Clean Water Action Section 401, and waste discharge requirements under the California Porter-Cologne Water Quality Control Act. As currently designed, there would be no proposed project components or any other associated ground disturbance within state or federally protected aquatic resources. For these reasons, there would be no direct effects to state or federally protected aquatic resources. No changes to the document are necessary.
- 1-6 The comment provides an overview of dewatering permit requirements under the Central Valley Flood Protection Board. Potential impacts related to dewatering are on page 80 of 128, in Section 3.10, “Hydrology and Water Quality” of the Draft IS/MND. As discussed there, the Project would adhere to the City’s water quality and watershed protection measures mandated by the Phase I NPDES Permit and implemented through the Sacramento County Stormwater Quality Improvement Plan (SQIP). Dewatering plans would be subject to approval from Sacramento County’s Department of Environmental Management and/or SWRCB. Additionally, as discussed on page 74 of 76 in the Draft IS/MND, SMUD would comply with existing stormwater regulations, including the County’s Stormwater Ordinance (Sacramento County Code Chapter 15.12), the City’s Stormwater Management and Control Code, and the NPDES Regional MS4 Permit, which would necessitate the implementation and maintenance of on-site BMPs to control potential erosion and siltation and prevent discharges off-site. As the Project would involve the disturbance of more than one acre (in total), SMUD is subject to and will comply with NPDES Statewide construction general permit for stormwater runoff (Order WQ-2022-0057-DWQ and NPDES No. CAS000002 [Construction General Permit]), which would require preparation and implementation of a formal SWPPP. Additionally, SMUD will comply with the County of Sacramento Improvement Standards and Floodplain Management Ordinance, which ensures that the Project would not substantially increase the rate or amount of surface runoff in a manner that causes flooding or that exceeds stormwater system capacity. Compliance with these requirements and regulations would reduce potential adverse impacts to water quality, including those associated with dewatering, to a less-than-significant level. No changes to the document are required.
- 1-7 The comment provides a summary of the requirements under the Limited Threat General Order, which is applicable to projects that include construction dewatering and discharge to waters of the United States. As discussed above, under response to comment 1-6, the Project would be implemented consistent with regulations that reduce potential impacts from construction dewatering. No changes to the document are required.
- 1-8 The comment identifies general permitting requirements related to NPDES permit requirements. As discussed above, under response to comment 1-6, the Project would be implemented

consistent with regulations that reduce potential impacts to groundwater from construction dewatering. No changes to the document are required.

**From:** [Roberto Ramirez](#)  
**To:** [Jerry Park](#)  
**Subject:** [EXTERNAL] No Comment - Draft ISMND for the Folsom Administrative Operations Building Project  
**Date:** Wednesday, August 21, 2024 1:06:55 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)

**Letter 2**

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Jerry,

Thank you for giving us the opportunity to review the Draft ISMND for the Folsom Administrative Operations Building Project. We have no comments at this time.

] 2-1

Thank you,

**Roberto Ramirez**

Air Quality Planner/Analyst

ISA Certified Arborist #WE-14276A

Transportation & Climate Change

Desk: (916) 704-4552

[www.AirQuality.org](http://www.AirQuality.org)

X [@AQMD](#)

SACRAMENTO METROPOLITAN



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**Letter 2****Central Valley Regional Water Quality Control Board**

Peter G. Minkel

August 22, 2024

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2-1 The comment acknowledges that SMUD has provided the Sacramento Metropolitan Air Quality Management District (SMAQMD) with the opportunity to review the Draft IS/MND, for which SMAQMD has no comment at this time. No further response is necessary.

**From:** [Lj Laurent](#)  
**To:** [Ramesh Iyengar](#)  
**Cc:** [Jerry Park](#)  
**Subject:** [EXTERNAL] Re: Cortesi list site Folsom apn (APN) 069-0240-031-0000  
**Date:** Saturday, August 31, 2024 12:09:42 PM  
**Attachments:** [image.png](#)

Letter 3

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To: Ramesh Iyengar, Jerry Park  
From: Laurette Laurent  
August 31, 2024

Re: SMUD ISMND

Thank you for the link. I have done a preliminary Draft Research Report, reviewing every page of Document. Note it is not yet filed with CEQA SCH #.

As thorough and readable as this document is, for me, it is NOT complete. When NO Licensed CA Civil Engineer Seals/Signs a formal Submission, there are bound to be issues. This is due to this being basically a "one party" state which has shown less and less Concern for Civil Engineers as Law Enforcement officials.

When Folsom dumped all the 3 prisons and all existing Raw Sewage into the American River, and the "leader" ordered all Sewer Division workers sent home, raw sewage flowed into the river near the SMUD site, for about four entire days/nights. Folsom never filed with OES. Subsequent to this early 2000s major SSO event, and all the other SSO events and irregularities perpetrated by city "leadership", Sacramento Bee covered the city like raw sewage on land and federal waters did. It was my Private Enforcement Lawsuit and all my own research, Plus the Testimony of the deposed [but still under long-term Contract] Folsom City Engineer Bob Blaser. Direct retaliation meant I also did Video tapes of both top experts [City Engineer and Sewer Manager] during their depositions. Being of a scientific background, as well as judicial position, I have kept all records and track every move Folsom has made. It is a yeoman's job. Since we moved to Folsom, 61 innocent humans have died on Folsom city property -- mostly its totally Substandard "city streets."

There are a few Introductory observations for your consideration, but this is just a superficial/brief contextual introduction for you. FYI, City Engineer Bob Blaser was "set aside" about mid-Contract, and city leader proceeded to use his elected position to "help out" his friend and client AKT, the major vacant land owner in Sac Valley.

I have five past "Folsom Sanitary Sewer System Hydraulic Capacity Reports" as evidence. 2017/2018 Waterworks Engineering Report is the most devastating and convincing hard Certified Evidence this city is a "known" and "direct threat" to federal American River waters and watershed forests. I have worked with Sacramento Sewer Design Engineer Steve Norris, who gave me the full set of Blueprints for Sac Sewers "FE3 Connector" pipe which is Sac Sewer's [Folsom East 3 collection pipe.] I have full blueprints for "Lake Natoma Shores Subdivision" which about the American River assets. Bob Blaser mentored me and expanded my engineering knowledge to sanitary sewer systems hydraulic capacity, NPDES Permits/enforcement, and delegation by NEPA to State of California to do proper

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enforcement. RWQCB Regional Water Quality Control Board Area 5, staff, are still very familiar with my full responsibility for winning NPDES Permit Folsom SSS Conveyance Pipes, imposition of the minimum fine of about \$1 Million on Folsom, and Oversight & control by RWQCB Enforcing Engineers, of NPDES Permit inspections and enforcement actions. Folsom was in total violation at the time a top state official ordered Waterboards to "transfer" Folsom to the "self-enforcing" "general permit." Hence the missing sections of Folsom Blvd. 27" "main or largest collector system" is still INCOMPLETE. It is incomplete and totally missing at the most critical point: the LOWEST POINT in city: the American River itself. This is perfectly illustrated by Waterworks Report in clear RED LINE SSS Pipes MAPS beginning Page 125 et seq. Like all four preceding SSS Hydraulic Reports, this one formally documents Folsom's lack of an Independent City Engineer. They do not document that a leader/lawyer had that Title/Duties/long term Contract -- secretly erased from city's "online-only" City Charter and Municipal Code. Folsom Blvd. Bridge was not built where it was planned for decades; Lake Natoma Shores was built upon the old dredge rock piles which were leveled, and were previously "unbuildable" in Sacramento County.

This is the condensed version of Context, but all the evidence exists and continues to mount. Folsom is a city in deep, deep financial woes, mainly because the Not-built and Not expanded Infrastructure needs are huge and pressing. For me, the worst part of all this "scoff law" behavior by Folsom "leaders" is that 61 innocent people have died on city property. The latest was a suicide by a woman who left her car right on pavement of "Folsom Lake Crossing", and jumped off the high point. If she thought she'd land in American River, she landed 50 to 60' below on the rocks. This was told me by USBR person who responded.

My motivation is increasing Respect for Laws and Enforcement, especially by Licensed and Independent Civil Engineers. Currently there are other battles where city made jammed up messes of substandard 19th century city lanes -- and called them streets --- "arterial" streets of only 9 foot wide lanes in heavily trafficked places such as ancient Sutter St. More than once have I been involved with stopping wrong-doing, by mostly working with Federal agencies and their staff. My 2nd career, after land use & environmental expertise, was degree in Electronics and position in 4 states as Outside Sales Engineer for high-tech, high reliability precious metal components and miniature plastic injection molding capabilities. Sometimes it seems I speak Engineering better than English. That is my background in a nutshell.

At this point in time, it is important you know INCORRECT information was supplied and included in the ISMND CEQA -intended filing. When Folsom removed Waterworks SSS Hydraulic Capacity Report from Online Access, it was downloaded and circulated widely to downstream/impacted beneficial users of American River Water Supplies and Watershed recreators exposed to e-coli. But it was USBR staff who supported me at Hearings, because they worked in American River "Lake Natoma" at same time Folsom and 3 prisons raw sewage was being used as a Folsom Raw Sewage Conveyance substitute for adequate SSS Pipes --- for almost a week.

How would you like to proceed? I have read the entire Draft ISMND report you supplied. There is Direct Refutation of statements about Folsom's Infrastructure being "adequate." There is another state-level agency which is being concurrently informed their Compliance with FRA Fed Railroad Administration laws/rules is totally lacking. They filed 3 CEQA Filings which have a hugely deleterious impact on everyone using, living near Folsom Blvd. RED LINE SSS conveyance pipes, and the Direct Threats to American River assets at a lower

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elevation than Parkshore and Folsom Blvd. area. Folsom choosing the "highest point" of the local Folsom Blvd. sewageshed, to install a mere 18" diameter pipeline, was a ruse to avoid addressing the more expensive LOWEST section, which is American River itself. As for the massive removal of JPA Heritage Protected Historic Oak Grove along Folsom Blvd., it is a clear deception that city council could "delist" unilaterally the entire grove to "double track" at the R.G.Holderness/Glenn Sac RT Station.

For your information, the place where RT operates is the ONLY place along the Folsom Blvd. low sections, and at the station, where the MISSING/OMITTED-willfully but Essential elements of the SSS can be installed. Said Elements are a 2nd Pump Station at American River north bank, and Larger than 5", 6", and small section of 15" pipe exist. There is absolutely NO 27" pipeline from the Pump Station at the American River south bank --- all the way down to South of Intersection of Bidwell St. with Folsom Blvd. Where the city used Sac RT Federal Rail Grant monies, to purchase land where the SSS 27" pipe & pump station have NO OTHER possible location, it is a simple finding.

Folsom Blvd. SSS conveyance pipes have been backed up since at least year 2000, from the Bidwell inverted manhole issue, all the way along Folsom Blvd., OVER the American River bridge with a mere 18" diameter pipe attached to bridge, and northward all the way to old Oak Avenue/Lew Howard Park.

Proof of this is Folsom has not had ability to produce "Flow Monitoring Data" for this entire RED LINE section, for decades. Failure is accurately predicted by 5 Licensed Engineering studies. Waterworks is the finest, in that it considers the known consequences for 3 County Arterial traffic when Folsom Blvd. must be shut down to install "balloons" in the pipes. After that last-ditch effort, the entirety of Folsom will become a construction zone for the pipe and Pump Station which were deliberately not built. Removing a law-enforcing Independent City Engineer was directly responsible for omission of critical infrastructure.

FYI, Folsom is not in compliance with state law mandating Housing equality. A CEQA filed document for city plan contains a Response from a Sacramento Sewer Civil Engineer. He notes the problems NOT ONLY with city-admitted Folsom Blvd. sewage issues, but also the city's refusal to note the SSS pipes at East Folsom are "at capacity." There is only South of Hwy 50 left with land for inclusionary housing, but few people are aware ALL the S50 raw sewage is PUMPED up into the North of Hwy 50 piping. All of this raw sewage and prisons raw sewage, and planned hospitals raw sewage, is going to be concentrated along side American River.

Back in the days of SSS Report 3, I gave "Folsom Mystery Sewage Tours" to State civil engineers, and separately, to USBR federal civil engineers and Folsom Dam Operating staff. I also kept 11 years of videos on "Folsom Way" at <https://www.youtube.com/@4sewerdogs/videos>

I recall clearly the days of S. David Freeman as General Manager. Times have changed. Unfortunately city of Folsom infrastructure is still identical in most places, to the 1954 infrastructure.

My Research reports have gone to State agencies, to Sac RT Board of Directors, Waterboards [RWQCB and SWRCB], and most importantly in my view, to Federal authorities who have the ultimate opinion, and a Duty to protect American River assets as they opt to enforce laws. Reports are out there, even last week to Governor's OPR Staff. They responded to me "CEQA is self-enforcing." I replied with hard evidence OPR and CEQA

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staff DO HAVE options and rights to address something as serious as all Downstream users being fed, yet again, Folsom city and 3 state prisons, RAW SEWAGE.

Coming from a law enforcement family, and being very distressed by each of the 61 deaths on Folsom property since living here, I am committed to stopping the Death Count.

As for this issue, it would appear SMUD, as a State Agency, has NO Alternatives but to Launch SMUD Investigations which are based upon the certified, Signed/Sealed Civil Engineer Reports in my possession.

Certainly the obvious statements by SMUD's consultant about dismissing all concerns about SMUD having any issue or any impact on Folsom SSS Hydraulic Capacity, need Further investigation.

<https://www.folsom.ca.us/home/showpublisheddocument/786/637467522258230000>

Waterworks not only did a spectacular 5th Hydraulic Capacity report, but there is another MANDATORY report due from city now.

FYI, Waterworks produced a BID SET for the Folsom Blvd. small pipe project near this exact area where SMUD owns land. Folsom was asked formally via PRA for the Parkshore area SSS pipe "enhancement project." Folsom civil engineers did NOT produce a City Engineer or any engineer approval. PRA Response from Marcus Yasutake referred me to the BID SET done by Waterworks. Folsom Blvd. has been two lanes only for well over a year.

Intersection of Folsom Blvd. and Blue Ravine was actually shut down due to some "underground utility problem." This happens when a city grows like a mushroom with NO civil engineer in charge since 1990s. For further information, Sac RT is occupying NOT only the only place for the required SSS Pump Station and large 2nd conveyance pipe, but Sac RT has made a mockery of Folsom's EOP Emergency Operations Plan. Sac RT has been advised their operations violate FRA rules, and if they do not RESOLVE the Seven Way Intersection, complaints will ensue to protect human lives at RR Crossings.

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Seven way intersection consists of

Oakdale St. North only of Natoma St.

Oakdale St [private & substandard] South only of Natoma St.

Mormon St. East Only of Folsom Blvd FB,

Mormon St. West only of Folsom Blvd.

Forrest St. SE only of FB

Forrest St. West only of FB

Natoma St. [only route EW to Folsom 3 prisons, but only 2 lane not-arterial size street]

and

# 7, Sac RT non-compliant RR Crossing

which totally obstructs EOP Access to "Folsom Village" a mobile home residence community with houses a mere <30 feet from Sac RT RR commuter train cars. EOP acknowledges Village being nearly adjacent to FB, but NOT having emergency or First Responder Access which is EQUAL to what law demands.

Welcome to the Folsom Way, as it is called by Journalists.

Since Jerry Parks referred this to a CA Licensed Engineer, it is hoped SMUD will consider that ANY raw sewage you add, will encounter a RED LINE Folsom SSS conveyance pipe. Please remember, even when Waterworks did this ONLY North of Hwy Folsom existing city, this is the nexus, at the American River, of a stinking dereliction practice of long standing. It did make a mayor's buddy and land operations lawyer, more able to sell vacant land within city limits, and later annexed S50 vacant land. Now the S50 sewage is pumped up into this



same FB sewage shed. It is not a "sewer shed" because Folsom has and is probably right now using American River as part of its SS System. We have reported spills of Folsom Corporation Yard diesel &/or gasoline fuels into river, and Waterboards did nothing. Hopefully SMUD will realize most of city residents are NOT EQUALLY SERVED; and NOT Equally Protected. But then, one thing, Folsom gets ALL its drinking water Above stream of RED LINE sewer conveyances.

Please let me know if you wish any of the Communications sent to Public Agencies -- which makes them Public Records. This includes Cong. Kiley, Sac RT Board members, CA Natural Resources, USBR- CA State Parks as the US Managing Partner of Folsom area federal assets, CPUC when I was referred by a not-helpful Sac RT Counsel Sanchez Ochoa [in re her claim RT was not responsible for RR Crossings within Folsom city. She claimed RT was only "regulated by CPUC" which is NOT CORRECT.]

Also convinced Univ. of CA Regents that their large parcel in Folsom S50 could not support the UCDCM huge commercial and medical, hotel, offices, they announced would start construction 2023.

Outreach has included Advocacy groups, Save the American River Assn., for example.

I attempted to reach JPA authorities about Destruction of FB History Grove Protections, and also Bird/wildlife advocates. Folsom city council vice mayor claimed the city had a legal right to "Declassify" each protected JPA Tree, so I contacted CA Nat Resources and CA State Parks who just did a full inventory of the entire area. SP is Managing Partner and CA State Parks is registered Owner of land parcel near this area, further north on west side of Folsom Blvd.

Other Research into Sacramento County Property Records has indicated a Pattern of Folsom False Filings, so this was referred for criminal investigations. Why were so many FB area parcels declared by Folsom, to have their Entire Tax obligation "EXEMPT" from County taxes?

It's the "Folsom Way."

Clearly SMUD will not File any CEQA Document which is contradicted in Public Records by many CA Lic. Civil Engineers, including a Sac Sewer Engineer, and the North of 50 only Waterworks Engineering Roseville, three Lic. Engineers.

As Bob Blaser, last City Engineer always closed, "questions are always welcome."

Plus, I have access to copies of all the evidence cited/used and mentioned herein to SMUD. Laurette Laurent, dubbed by many front page stories of Sacramento Bee as the Folsom Sewage Watchdog.

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cont.

Submitted with hope SMUD will care about those of us treated unequally, having lives put at high risk, loving the American River without all that raw sewage, and most of all, stopping Folsom city property Death Count at 61.  
Willing to utilize ten years/degree in land use, and even electronics degree/2nd career, and experience working with Engineers doing Federal Govt parts, projects, etc.  
Laurette Laurent

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**Letter 3****Laurette Laurent**August 31, 2024

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3-1 Page 112 of the IS/MND describes the City's wastewater system. The City of Folsom operates its sewer system pursuant to SWRCB General Order 2006-0003-EXEC (Statewide General Waste Discharge Requirements (GWDR) for Sanitary Sewer Systems) as modified by 2008-0002-EXEC. The City's 2019 Sewer System Management Plan sets forth its plan to operate its sewer system in conformity with the General Order. Supporting documents are available here: <https://www.folsom.ca.us/government/environmental-water-resources/wastewater-sewer/sewer-system-management-plan-ssmp>. The Sewer Plan addresses, among other things, the required elements under the General Order, including design, operation and maintenance, controls, overflow response, capacity assurance, audits, and inspections for the City's sewer system. The City's plan, in short, provides a comprehensive plan for managing wastewater within the City's boundaries in conformity with the GWDR.

The comment letter provides no tangible evidence to demonstrate that the City's Sewer Plan, as implemented, would fail to properly manage the wastewater from the Project. In the absence of contrary evidence, it is presumed that a City will effectuate the regular performance of its official duty. *City of Sacramento v. State Water Resources Control Bd.* (1992) 2 Cal. App. 4th 960, 975. The same presumption applies to the SWRCB in its management and oversight of municipal plans, such as the City's, operating under the GWDR for Sanitary Sewer Systems.

### **3.0 CHANGES TO DRAFT IS/MND TEXT**

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No changes to the Draft IS/MND since its publication and public review are necessary.

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## **4.0 MITIGATION MONITORING AND REPORTING PROGRAM**

### **4.1 Introduction**

This mitigation monitoring and reporting program summarizes identified mitigation measures, implementation schedule, and responsible parties for the SMUD Folsom Administrative Operations Building Project (Project). SMUD will use this mitigation monitoring and reporting program to ensure that identified mitigation measures, adopted as conditions of Project approval, are implemented appropriately. This monitoring program meets the requirements of CEQA Guidelines Section 15074(d), which mandates preparation of monitoring provisions for the implementation of mitigation assigned as part of Project approval or adoption.

### **4.2 Mitigation Implementation and Monitoring**

SMUD will be responsible for monitoring the implementation of mitigation measures designed to minimize impacts associated with the Project. While SMUD has ultimate responsibility for ensuring implementation, others may be assigned the responsibility of actually implementing the mitigation. SMUD will retain the primary responsibility for ensuring that the Project meets the requirements of this mitigation plan and other permit conditions imposed by participating regulatory agencies.

SMUD will designate specific personnel who will be responsible for monitoring implementation of the mitigation that will occur during Project construction. The designated personnel will be responsible for submitting documentation and reports to SMUD on a schedule consistent with the mitigation measure and in a manner necessary for demonstrating compliance with mitigation requirements. SMUD will ensure that the designated personnel have authority to require implementation of mitigation requirements and will be capable of terminating Project construction activities found to be inconsistent with mitigation objectives or Project approval conditions.

SMUD and its appointed contractor will also be responsible for ensuring that its construction personnel understand their responsibilities for adhering to the performance requirements of the mitigation plan and other contractual requirements related to the implementation of mitigation as part of Project construction. In addition to the prescribed mitigation measures, Table 4-1 (Mitigation Monitoring and Reporting Program) lists each identified environmental resource being affected, the corresponding monitoring and reporting requirement, and the party responsible for ensuring implementation of the mitigation measure and monitoring effort.

### **4.3 Mitigation Enforcement**

SMUD will be responsible for enforcing mitigation measures. If alternative measures are identified that would be equally effective in mitigating the identified impacts, implementation of these alternative measures will not occur until agreed upon by SMUD.

In the MMRP below, the following components are identified:

<b>Mitigation Measure</b>	This column provides the text of the mitigation measure
<b>Timing</b>	This column identifies the time frame in which the mitigation will be implemented
<b>Responsible for Implementation</b>	This column identifies the entity or person(s) that will carry out the mitigation.
<b>Responsible for Verification</b>	This column identifies the entity that assumes the overall responsibility for confirming compliance with each specific mitigation.
<b>Form of Verification</b>	This column identifies the method in which compliance with the mitigation will be communicated to the responsible party.
<b>Verification</b>	This column is to be dated and signed by the person/s identified at 'Responsible for Verification' to indicate that the requirements of the mitigation measure have been met.

TABLE 4-1. MITIGATION MONITORING AND REPORTING PROGRAM

Checklist Section	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
				Implementation	Monitoring
Air Quality	<p><b>Mitigation Measure 3.3-1. Implement SMAQMD Emissions Controls and BMPs.</b></p> <p><i>SMUD or the authorized contractor will adhere to the SMAQMD basic construction emissions control practices, including, but not limited to the measures listed below, and additional measures designed to limit diesel particulate matter:</i></p> <ul style="list-style-type: none"> <li><i>Water all exposed surfaces two times daily. Exposed surfaces include, but are not limited to soil piles, graded areas, unpaved parking areas, staging areas, and access roads;</i></li> <li><i>Cover or maintain at least two feet of free board space on haul trucks transporting soil, sand, or other loose material on the site. Any haul trucks that would be traveling along freeways or major roadways should be covered;</i></li> <li><i>Use wet power vacuum street sweepers to remove any visible track-out mud or dirt onto adjacent public roads at least once a day. Use of dry power sweeping is prohibited;</i></li> <li><i>Limit vehicle speeds on unpaved roads to 15 miles per hour (mph);</i></li> <li><i>All roadways, driveways, sidewalks, parking lots to be paved should be completed as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used;</i></li> <li><i>Minimize idling time either by shutting equipment off when not in use or reducing the time of idling to 5 minutes [California Code of Regulations, Title 13, sections 2449(d)(3) and 2485]. Provide clear signage that posts this requirement for workers at the entrances to the site;<sup>3</sup></i></li> <li><i>Provide current certificate(s) of compliance for CARB’s In-Use Off-Road Diesel-Fueled Fleets Regulation [California Code of Regulations, Title 13, sections 2449 and 2449.1];<sup>4</sup> and</i></li> <li><i>Maintain all construction equipment in proper working condition according to manufacturer’s specifications. The equipment must be checked by a certified mechanic and determined to be running in proper condition before it is operated.</i></li> </ul>	Prior to and during construction	During construction	SMUD Environmental Services and Construction Contractor	SMUD Construction Management and Inspection
Biological Resources	<p><b>Mitigation Measure 3.4-1: Impacts to Special-Status Species, Sensitive Habitats, and Aquatic Resources:</b></p> <p>The following actions shall be undertaken to reduce impacts to special-status species:</p> <ol style="list-style-type: none"> <li>A Storm Water Pollution Prevention Plan (SWPPP) shall be developed prior to the ground disturbing activities. The SWPPP shall identify specific best management practices (BMPs) which shall be implemented during construction to</li> </ol>	Prior to and during construction	During construction	SMUD Environmental Services and Construction Contractor	SMUD Construction Management and Inspection

<sup>3</sup> This BMP for idling specifically applies to diesel-powered equipment. Non-diesel vehicles are not required to limit idling time.

<sup>4</sup> This BMP specifically applies to diesel-powered equipment.

Checklist Section	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
				Implementation	Monitoring
	<p>prevent discharges of sediment, oil, turbid water, and/or other potential toxic or hazardous substances to surface waters. The BMPs shall be installed and maintained so that they demonstrate effectiveness.</p> <ol style="list-style-type: none"> <li>2. All areas of earth disturbance remaining after project implementation shall be stabilized and revegetated with a native seed mix.</li> <li>3. Avoided trees shall be protected during construction activities. Specifically, work shall not be conducted within dripline of native oak trees to prevent vehicles from damaging the roots.</li> <li>4. Removal of any native oak trees shall adhere to the replacement ratios required by the Sacramento County Tree Ordinance.</li> <li>5. All work equipment shall be washed at an offsite location.</li> <li>6. All fueling and maintenance of vehicles and equipment shall occur a minimum of 100 feet from aquatic resources and away from the dripline of native oak trees.</li> <li>7. All vehicles and equipment shall be inspected for leaks prior to use.</li> <li>8. Prior to construction, but not more than 14 days before grading, demolition or site preparation activities, a qualified biologist shall conduct a pre-construction survey to determine the presence of western pond turtles on or adjacent to the Project site. A temporary non-climbable fencing (or other solid fencing/barrier) shall be installed along the Project boundary adjacent to Lake Natoma as to exclude turtles from the active construction zone. If turtles are found within the construction zone, they shall be moved out of harm's way to appropriate areas by a qualified biologist as approved by CDFW and/or USFWS.</li> <li>9. No elderberry shrubs (potential habitat for VELB) were observed within the Biological Study Area during the survey conducted on February 15, 2024. If more than two years have passed since the site visit, additional surveys for the elderberry shrubs shall be conducted by a qualified biologist prior to the start of work. If present, the USFWS shall be consulted to determine appropriate avoidance, minimization, and mitigation measures.</li> <li>10. Pre-construction surveys shall be conducted by a qualified biologist during the appropriate bloom time to determine if milkweed (host plant for the monarch butterfly) is present. If present, CDFW shall be consulted to determine appropriate avoidance, minimization, and mitigation measures.</li> <li>11. To avoid impacts to common and special-status migratory birds pursuant to the Migratory Bird Treaty Act and CDFW Codes, a nesting survey shall be conducted prior to construction activities if the work is scheduled between February 1 and August 31. The pre-construction nesting bird surveys will identify on-site bird species. If no nesting birds are found in or within 500 feet of the Project alignment during the pre-construction clearance surveys, construction activities may proceed as scheduled.</li> </ol> <p>If pre-nesting behavior is observed, but an active nest has not yet been established (e.g., courtship displays, but no eggs in a constructed nest), a nesting bird deterrence and removal program will be implemented. Such deterrence methods include removal of previous year's nesting materials and removal of partially completed nests in progress. Once a nest is situated and identified with eggs or young, it is considered to be "active" and the nest cannot be removed until the young have fledged.</p>				



Checklist Section	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
				Implementation	Monitoring
	<p>If an active nest is found in or within 500 feet of the Project alignment during construction, a “No Construction” buffer zone will be established around the active nest (usually a minimum radius of 50 feet for passerine birds and 500 feet for raptors) to minimize the potential for disturbance of the nesting activity. The Project biologist/biological monitor will determine and flag the appropriate buffer size required, based on the species, specific situation, tolerances of the species, and the nest location. Project activities will resume in the buffer area when the Project biologist/biological monitor has determined that the nest(s) is (are) no longer active or the biologist has determined that with implementation of an appropriate buffer, work activities would not disturb the birds nesting behavior.</p> <p>If special-status bird species are found nesting in or within 500 feet of the Project site, SMUD’s Environmental Services shall notify CDFW or USFWS, as appropriate, within 24 hours of first nesting observation shall be consulted to determine appropriate avoidance, minimization, and mitigation measures.</p>				
Cultural Resources	<p><b>Mitigation Measure 3.5-1: Worker Environmental Awareness and Cultural Respect Training and Procedures for Inadvertent Discovery of Cultural Resources</b></p> <p><i>Prior to excavation or other subsurface disturbance activities, individuals conducting the work will be required to participate in Worker Environmental Awareness and Cultural Respect Training. Workers will be advised to watch for cultural resource materials. If workers observe any evidence of pre-contact cultural resources (freshwater shells, beads, bone tool remnants or an assortment of bones, soil changes including subsurface ash lens or soil darker “midden” in color than surrounding soil, lithic materials such as flakes, tools or grinding rocks, etc.), or historic cultural resources (adobe foundations or walls, structures and remains with square nails, refuse deposits or bottle dumps, often associated with wells or old privies), all ground-disturbing activity within 100 feet of the discovery must immediately cease and a qualified archaeologist must be consulted to assess the significance of the cultural materials. SMUD will be notified of the potential find and a qualified archeologist shall be retained to investigate its significance. If the qualified archaeologist determines the archaeological material to be Native American in nature, Mitigation Measure 3.18-1 shall be implemented. If the find is determined to be significant by the archaeologist (i.e., because it is determined to constitute a unique archaeological resource), the archaeologist shall work with SMUD to develop and implement appropriate procedures to protect the integrity of the resource and ensure that no additional resources are affected. Procedures could include but would not necessarily be limited to preservation in place, archival research, subsurface testing, or contiguous block unit excavation and data recovery.</i></p>	Prior to any work and during construction	During construction	Construction Contractor	SMUD Construction Management and Inspection
Cultural Resources	<p><b>Mitigation Measure 3.5-2: Procedures for Discovery of Human Remains</b></p> <p><i>If human remains are discovered, all work within a100 feet of the find must immediately cease, and the local coroner must be contacted. Procedures for the discovery of human remains will be followed in accordance with provisions of the State Health and Safety Code, Sections 7052 and 7050.5 and the State Public Resources Code Sections 5097.9 to 5097.99. If the Coroner determines that the remains are those of Native American origin, the Coroner shall contact the Native American Heritage Commission (NAHC) and subsequent procedures shall be followed, according to State Public Resources Code Sections 5097.9 to 5097.99, regarding notification of the Native American Most Likely Descendant. Following the coroner’s and NAHC’s findings, SMUD and the NAHC-</i></p>	During construction	During construction	Construction Contractor	SMUD Construction Management and Inspection

Checklist Section	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
				Implementation	Monitoring
	<p><i>designated Most Likely Descendant shall determine the ultimate treatment and disposition of the remains and take appropriate steps to ensure that additional human interments are not disturbed.</i></p>				
Tribal Cultural Resources	<p><b>Mitigation Measure 3.18-1: Worker Environmental Awareness and Cultural Respect Training and Procedures for Discovery of Potential Tribal Cultural Resources</b></p> <p><i>All construction personnel must receive Tribal Cultural Resources Sensitivity and Awareness Training (Worker Environmental Awareness Program [WEAP]), including field consultants and construction workers. The WEAP shall be developed in coordination with interested Native American Tribes.</i></p> <p><i>The WEAP shall be conducted before any project-related construction activities begin at the Project site. The WEAP will include relevant information regarding sensitive cultural resources and Tribal cultural resources, including applicable regulations, protocols for avoidance, and consequences of violating State laws and regulations. The WEAP will also describe appropriate avoidance and impact minimization measures for cultural resources and Tribal cultural resources that could be located at the Project site and will outline what to do and who to contact if any potential cultural resources or Tribal cultural resources are encountered. The WEAP will emphasize the requirement for confidentiality and culturally appropriate treatment of any discovery of significance to Native Americans and will discuss appropriate behaviors and responsive actions, consistent with Native American Tribal values. The training may be done in coordination with the Project archaeologist.</i></p> <p><i>All ground-disturbing equipment operators shall be required to receive the training and sign a form that acknowledges receipt of the training.</i></p> <p><i>During excavation or other substantial subsurface disturbance activities, all construction personnel must follow procedures and the direction of archeologists and Tribal monitors if any cultural resource materials are observed.</i></p>	Prior to and during construction	During construction	Construction Contractor	SMUD Construction Management and Inspection
Tribal Cultural Resources	<p><b>Mitigation Measure 3.18-2: Spot Check Monitoring for Tribal Cultural Resources</b></p> <p><i>SMUD shall invite representatives of UAIC to periodically inspect the active areas of the Project, including any soil piles, trenches, or other disturbed areas. UAIC shall be notified at least 48 hours prior to start of construction.</i></p>	Prior to and during construction	During construction	Construction Contractor	SMUD Construction Management and Inspection
Tribal Cultural Resources	<p><b>Mitigation Measure 3.18-3: Unanticipated Discovery of Tribal Cultural Resources</b></p> <p><i>If any suspected TCRs are discovered by any person on site during ground disturbing construction activities all work shall cease within 100 feet of the find, or an agreed upon distance based on the project area and nature of the find. A Tribal Representative from the consulting Tribe or a California Native American tribe that is traditionally and culturally affiliated with a geographic area shall be immediately notified and shall determine if the find is a TCR (PRC §21074). The Tribal Representative will make recommendations for further evaluation and treatment as necessary.</i></p>	During construction	During construction	Construction Contractor	SMUD Construction Management and Inspection

Checklist Section	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
				Implementation	Monitoring
	<p><i>Preservation in place is the preferred option for mitigation of TCRs under CEQA and Tribal protocols, and every effort shall be made to preserve the resources in place, including through project redesign. If adverse impacts to TCRs, unique archeology, or other cultural resources occurs, then consultation with Tribes regarding mitigation contained in the Public Resources Code §21084.3(a) and (b) and CEQA Guidelines §15370 should occur, in order to coordinate for compensation for the impact by replacing or providing substitute resources or environments.</i></p> <p><i>Culturally appropriate treatment may be, but is not limited to, processing materials for reburial, minimizing handling of cultural objects, leaving objects in place within the landscape, or returning objects to a location within the project area where they will not be subject to future impacts. Permanent curation of TCRs and cultural belongings will not take place unless approved in writing by the consulting Tribe.</i></p> <p><i>Treatment that preserves or restores the cultural character and integrity of a TCR may include paid Tribal Monitoring, culturally appropriate recovery of cultural objects, and reburial of cultural objects or cultural soil. These recommendations will be documented in the project record. For any recommendations made by traditionally and culturally affiliated Native American Tribes that are not implemented, a justification for why the recommendation was not followed will be provided in the project record.</i></p> <p><i>SMUD shall preserve TCR's in place, avoid, or minimize impacts to the resource, including, but not limited to, facilitating the appropriate Tribal treatment of the find, as necessary. Treatment that preserves or restores the cultural character and integrity of a TCR may include Tribal Monitoring, culturally appropriate recovery of cultural objects, and reburial of cultural objects and belongings or cultural soil.</i></p> <p><i>Work at the discovery location cannot resume until all necessary investigation and evaluation of the discovery under the requirements of CEQA, including AB52, have been satisfied.</i></p>				

---

**5.0 LIST OF PREPARERS****5.1 Sacramento Municipal Utility District**

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**5.2 Environmental Science Associates**

Brian Boxer ..... Project Director

Jon Teofilo ..... Project Manager

Juliana Medan ..... Environmental Planner

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**6.0 REFERENCES**

None.

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# APPENDIX A

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Draft Initial Study and Proposed Mitigated Negative Declaration





# Sacramento Municipal Utility District

## Folsom Administrative Operations Building Project

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Draft Initial Study and Mitigated Negative Declaration • July 2024

Powering forward. Together.





# Sacramento Municipal Utility District

## Folsom Administrative Operations Building Project

Draft Initial Study and Mitigated Negative Declaration • July 2024

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**LIST OF ABBREVIATIONS**

AB	Assembly Bill
ACM	asbestos-containing material
APN	Assessor's Parcel Number
ARB	California Air Resources Board
ATSDR	Agency for Toxic Substances and Disease Registry
BACT	Best Available Control Technology
BMP	best management practice
CAAQS	California ambient air quality standards
CAL FIRE	California Department of Forestry and Fire Protection
CalEPA	California Environmental Protection Agency
Cal/OSHA	California Division of Occupational Safety and Health
CalEEMod	California Emissions Estimator Model
CalEnviroScreen	California Communities Environmental Health Screening Tool
Caltrans	California Department of Transportation
CBC	California Building Code
CCVT	capacitor-coupled voltage transformers
CCR	California Code of Regulations
CDC	Centers for Disease Control and Prevention
CDFW	California Department of Fish and Wildlife
CEQA	California Environmental Quality Act
CESA	California Endangered Species Act
CGP	Construction General Permit
CGS	California Geological Survey
CHRIS	California Historical Resources Information System
CNDDB	California Natural Diversity Database
CNEL	Community Noise Equivalent Level
CNG	compressed natural gas
CNPS	California Native Plant Society
CO <sub>2</sub>	carbon dioxide
CRHR	California Register of Historical Resources
CT	current transformer



CUPA	Certified Unified Program Agency
DAC	disadvantaged community
dB	Decibel
dba	A-Weighted Decibel
DDT	Dichlorodiphenyltrichloroethane
DOC	California Department of Conservation
DPM	Diesel-exhaust particulate matter
Draft IS/MND	Draft Initial Study/Mitigated Negative Declaration
DTSC	California Department of Toxic Substances Control
DWR	California Department of Water Resources
EJ	Environmental Justice
EMD	Environmental Management Department
ESA	federal Endangered Species Act
ESA Phase I	Environmental Site Assessment
FEMA	Federal Emergency Management Agency
FMMP	Farmland Mapping and Monitoring Program
FTA	Federal Transit Authority
GGRF	Greenhouse Gas Reduction Fund
GHG	Greenhouse gas
HMBP	Hazardous Materials Business Plan
HRSA	Health Resources & Services Administration
I-80	Interstate 80
in/sec	inch per second
kV	Kilovolt
$L_{eq}$	Energy Equivalent Noise Level
$L_{max}$	Maximum Noise Level
$L_{min}$	Minimum Noise Level
$L_{dn}$ or DNL	Day-Night Average Noise Level
LBP	lead-based paint
lbs/day	pounds per day
LED	light emitting diode
LNG	liquefied natural gas

LUSTs	leaking underground storage tanks
MMRP	mitigation monitoring and reporting program
MTCO <sub>2e</sub>	metric tons per year of CO <sub>2</sub> equivalent
MVA	megavolt amperes
MVAR	megavolt amperes reactive
NAAQS	national ambient air quality standards
NAHC	Native American Heritage Commission
NASb	North American Subbasin
NCIC	North Central Information Center
NESHAP	National Emission Standard for Hazardous Air Pollutants
NOA	naturally occurring asbestos
NOI	notice of intent
NO <sub>x</sub>	nitrogen oxides
NPDES	National Pollution Discharge Elimination System
NRCS	Natural Resources Conservation Service
NWI	National Wetlands Inventory
OEHHA	Office of Environmental Health Hazards Assessment
OHWM	ordinary high-water mark
OPR	Governor's Office of Planning and Research
OSHA	Occupational Safety and Health Administration
PCBs	polychlorinated biphenyls
PF	Public Facility
PT	potential transformers
PM	particulate matter
ppm	parts per million
PPV	peak particle velocity
PRC	Public Resources Code
Project	Folsom Administrative Operations Building Project
ROG	reactive organic gases
RWQCB	Regional Water Quality and Control Board
SB	Senate Bill
SF <sub>6</sub>	Sulfur Hexafluoride

SGMA	Sustainable Groundwater Management Act
SMAQMD	Sacramento Metropolitan Air Quality Management District
SMUD	Sacramento Municipal Utility District
SPCC	Spill Prevention Control and Countermeasure
SSBMI	Shingle Springs Band of Miwok Indians
SSC	species of special concern
SVAB	Sacramento Valley Air Basin
SVI	Social Vulnerability Index
SVP	Society of Vertebrate Paleontology
SWPPP	storm water pollution prevention plan
SWRCB	State Water Resources Control Board
TAC	toxic air contaminant
THRIS	Tribal Historic Information System
TMDL	Total Maximum Daily Load
TPH	total petroleum hydrocarbons
UAIC	United Auburn Indian Community
UCMP	University of California Museum of Paleontology
USEPA	United States Environmental Protection Agency
USFWS	U.S. Fish and Wildlife Service
UST	underground storage tank
VMT	vehicle miles traveled
WAPA	Western Area Power & Administration
WEAP	Worker Environmental Awareness Program
WEAT	Worker Environmental Awareness Training
WDR	waste discharge requirement

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## 1.0 INTRODUCTION

### 1.1 Project Overview

The Sacramento Municipal Utility District (SMUD) is proposing the Folsom Administrative Operations Building Project (“Project”) to construct and operate up to an approximately 100,000-square-foot administrative operations building and a 100-foot-high communications tower on a six-acre parcel in southwest Folsom. The Project would be located in an area surrounded by the existing industrial and business park uses to the north of State Route 50, west of Folsom Boulevard, and to the east of Lake Natoma. The Project would be developed in two phases: Phase 1 would include a 50,000-square-foot, one-story structure and communications tower; and Phase 2 would include a 50,000-square-foot, two-story connecting structure.

### 1.2 Purpose of Document

This Draft Initial Study/Mitigated Negative Declaration (Draft IS/MND) has been prepared by SMUD to evaluate potential environmental effects resulting from the Project. Chapter 2, “Project Description,” presents detailed project information.

This document has been prepared in accordance with the California Environmental Quality Act (CEQA) (Public Resources Code [PRC] Section 21000 et seq.) and the State CEQA Guidelines (California Code of Regulations [CCR] Section 15000 et seq.). Under CEQA, an IS can be prepared by a lead agency to determine if a project may have a significant effect on the environment (CEQA Guidelines Section 15063[a]), and thus to determine the appropriate environmental document. For this project, the lead agency has prepared the following analysis that identifies potential physical environmental impacts and mitigation measures that would reduce impacts to a less- than-significant level. SMUD is the lead agency responsible for complying with CEQA.

In accordance with CEQA, SMUD is distributing a notice of intent (NOI) to adopt a MND to solicit comments on the analysis and mitigation measures presented in this Draft IS/MND. The NOI will be distributed to property owners within a minimum of 1,000 feet of the Project, as well as to the State Clearinghouse/Governor’s Office of Planning and Research and each responsible and trustee agency. This Draft IS/MND will be available for review and comment from July 23, 2024 to August 22, 2024.

Written comments (including those submitted via e-mail) must be received by close of business on August 22, 2024. Letters should be addressed to:

SMUD–Environmental Services  
P.O. Box 15830 MS B209  
Sacramento, CA 95852-1830  
Attn: Jerry Park

E-mail comments should be addressed to **Jerry.Park@smud.org**. Anyone with questions regarding the NOI or Draft IS/MND may call Jerry Park at 916.732.7406.

Digital copies of the NOI and Draft IS/MND are available: <https://www.smud.org/CEQA>. Hard copies of the NOI and Draft IS/MND are available for public review at the following locations:

Sacramento Municipal Utility District  
Customer Service Center  
6301 S Street  
Sacramento, CA 95817

Sacramento Municipal Utility District  
East Campus Operations Center  
4401 Bradshaw Road  
Sacramento, CA 95827

### **1.3 Public Review Process**

This Draft IS/MND is being circulated for a 30-day public comment period and is available at the locations identified above. Following the 30-day public review period, a Final IS/MND will be prepared, presenting written responses to comments received on significant environmental issues. Before SMUD's Board of Directors makes a decision on the Project, the Final IS/MND will be provided to all parties commenting on the Draft IS/MND.

### **1.4 SMUD Board Approval Process**

The SMUD Board of Directors must adopt the IS/MND and approve the mitigation monitoring and reporting program before it can approve the Project. The Project and relevant environmental documentation will be formally presented at a SMUD Environmental Resources and Customer Service Committee meeting for information and discussion. The SMUD Board of Directors will then consider adopting the Final IS/MND and MMRP at its next regular Board meeting. Meetings of the SMUD Board of Directors are generally held on the third Thursday of each month.

## 1.5 Document Organization

This Draft IS/MND is organized as follows:

**Chapter 1, “Introduction”:** This chapter provides an introduction to the environmental review process and describes the purpose and organization of this document.

**Chapter 2, “Project Description”:** This chapter provides a detailed description of the Project.

**Chapter 3, “Environmental Checklist”:** This chapter presents an analysis of a range of environmental issues identified in the CEQA Environmental Checklist and determines whether the Project would result in no impact, a less-than-significant impact, or a less-than-significant impact with mitigation incorporated. Where needed to reduce impacts to a less-than-significant level, mitigation measures are presented.

**Chapter 4, “Environmental Justice Analysis”:** Although not required by CEQA, SMUD has elected to prepare an evaluation of potential environmental justice issues related to the Project.

**Chapter 5, “List of Preparers”:** This chapter lists the organizations and people who prepared the document.

**Chapter 6, “References”:** This chapter lists the references used in preparation of this Draft IS/MND.

## 1.6 Environmental Factors Potentially Affected

Impacts on the environmental factors below are evaluated using the checklist included in Chapter 3. SMUD determined that the environmental factors checked below would be less than significant with implementation of mitigation measures. It was determined that the unchecked factors would have a less-than-significant impact or no impact.

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Aesthetics                      | <input type="checkbox"/> Agriculture and Forestry Resources | <input checked="" type="checkbox"/> Air Quality                        |
| <input checked="" type="checkbox"/> Biological Resources | <input checked="" type="checkbox"/> Cultural Resources      | <input type="checkbox"/> Energy  |
| <input type="checkbox"/> Geology / Soils                 | <input type="checkbox"/> Greenhouse Gas Emissions           | <input type="checkbox"/> Hazards & Hazardous Materials                 |
| <input type="checkbox"/> Hydrology / Water Quality       | <input type="checkbox"/> Land Use / Planning                | <input type="checkbox"/> Mineral Resources                             |
| <input checked="" type="checkbox"/> Noise                | <input type="checkbox"/> Population / Housing               | <input type="checkbox"/> Public Services                               |
| <input type="checkbox"/> Recreation                      | <input type="checkbox"/> Transportation / Traffic           | <input checked="" type="checkbox"/> Tribal Cultural Resources          |
| <input type="checkbox"/> Utilities / Service Systems     | <input type="checkbox"/> Wildfire                           | <input checked="" type="checkbox"/> Mandatory Findings of Significance |



## 1.7 Determination

On the basis of this initial evaluation:

- I find that the proposed project could not have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project COULD have a significant effect on the environment, there WILL NOT be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature



July 23, 2024

Date

Jerry Park

Printed Name

Environmental Management Specialist

Title

Sacramento Municipal Utility District

Agency

---

## 2.0 PROJECT DESCRIPTION

---

SMUD is proposing to construct and operate an approximately 100,000-square-foot administrative operations building and a 100-foot-high communications tower in southwest Folsom within Sacramento County. The Folsom Administrative Operations Building Project (hereafter referred to as “Project”) is proposed to be constructed on a six-acre parcel in an area surrounded by the existing industrial and business park uses to the north of State Route 50, west of Folsom Boulevard, and to the east of Lake Natoma.

### 2.1 Project Location

The Project site is located within the City of Folsom in Sacramento County at 102 Woodmere Road; Assessor Parcel Number (APN) 069-0240-031-0000. The site is just east of Lake Natoma and west of Folsom Boulevard. Land uses surrounding the Project site include the American River Parkway and Lake Natoma to the west, and existing office and industrial uses to the north, south, and east. The site has been previously mass graded and contains a cul-de-sac roadway, Shore Court, which extends north from Woodmere Road. See **Figures 2-1 through 2-3**.

The Project site is approximately 0.9 miles north of Highway 50 and approximately 0.3 miles west of Folsom Boulevard. Current access to the Project site is obtained through Shore Court.

### 2.2 Project Objectives

The objectives of the Project are to:

- contribute to SMUD’s goals for ensuring electrical service reliability;
- provide safe and reliable electrical service to existing and proposed development in the Folsom area and beyond; and
- minimize impacts to nearby sensitive receptors and sensitive natural communities.

### 2.3 Background Information

The Project site is currently vacant and has previously been mass graded. It is fenced off and contains a cul-de-sac roadway, Shore Court, which extends north from Woodmere Road into the Project site. The six-acre site, is zoned “M-1 PD – Light Industrial, Planned Development District” and has a City of Folsom General Plan land use designation of “IND – Industrial/Office Park.”



SOURCE: esri, 2023; Sacramento County, 2023; ESA, 2024

SMUD Folsom Office Building Project

**Figure 2-1**  
Regional Location



SOURCE: esri, 2023; Sacramento County, 2023; ESA, 2024

SMUD Folsom Office Building Project

**Figure 2-2**  
Project Vicinity



SOURCE: esri, 2023; Sacramento County, 2023; ESA, 2024

SMUD Folsom Office Building Project

**Figure 2-3**  
Project Site

Surrounding land uses include the American River Parkway and Lake Natoma to the west as well as office and industrial uses to the north, south, and east. This includes the Western Area Power Administration (WAPA) facilities directly north, as well as various corporate offices and commercial buildings to the south.

## **2.4 Proposed Project**

The Project consists of constructing and operating an approximately 100,000-square-foot administrative office building and a 100-foot-high communications tower on a six-acre parcel in southwest Folsom. Site improvements would include new electrical equipment, landscaping and security features, driveway access, site fencing, lighting, a drainage easement, and utilities.

### **2.4.1 Project Components**

The Project consists of an administrative office building, communications tower, as well as overall site features. The Project would be constructed in two phases. Phase 1 would include the construction of approximately 50,000 square feet of administrative offices and communications tower; and Phase 2 would construct approximately 50,000 square feet of administrative offices and connect to the Phase 1 building. The building would contain offices for SMUD employees and operational facilities. **Figures 2-4** shows the proposed site plan.

The existing drainage system easement onsite would be relocated, and the new 15-foot-wide easement would occur along the southern edge to the western edge of the Project site.

The Project would also include approximately 150 parking spaces located throughout the eastern, western, and southern edges of the Project site. The entirety of the Project site would be surrounded by an eight-foot-high exterior fence with secure vehicle access. Landscape strips with perimeter trees would be located in the landscaped areas along the northwest and east sides of the project site, within the perimeter fence.

#### *Communications Tower*

The Project would include a communications tower approximately 100 feet in height, located at the northeast corner of the Project site.

#### *Driveway Access*

The Project would include a single secured primary entrance off Woodmere Road at the southeast edge of the site, and a secured emergency vehicle access located along the eastern side of the site to the adjacent property.



SOURCE: Google, 2023; Sacramento County, 2023; SMUD, 2024; ESA, 2024

Folsom Administrative Operations Building Project

**Figure 4**  
Conceptual Site Design

### *Lighting*

Lighting would be provided for safety, security, and nighttime emergency maintenance. Lighting would fulfill the National Electrical Safety Code requirements. Lights would likely be installed at the entry gates and various locations throughout the site. Most lighting would be off during standard operating conditions, except on occasions when nighttime access is required. All lighting would be oriented downward toward major equipment to minimize glare onto surrounding properties.

### *Stormwater Drainage*

Current site drainage includes an existing storm drain that runs through the Project site to an outfall on the western edge of the site. The development of the Project would include relocation of the existing storm drain along the southern and western sides of the Project site to the existing outfall. To meet City of Folsom Environmental & Water Resources Department requirements, accesses for the relocated sewer system would all be located within public right of way. Site drainage would be designed and constructed to connect to the rerouted storm drainage infrastructure.

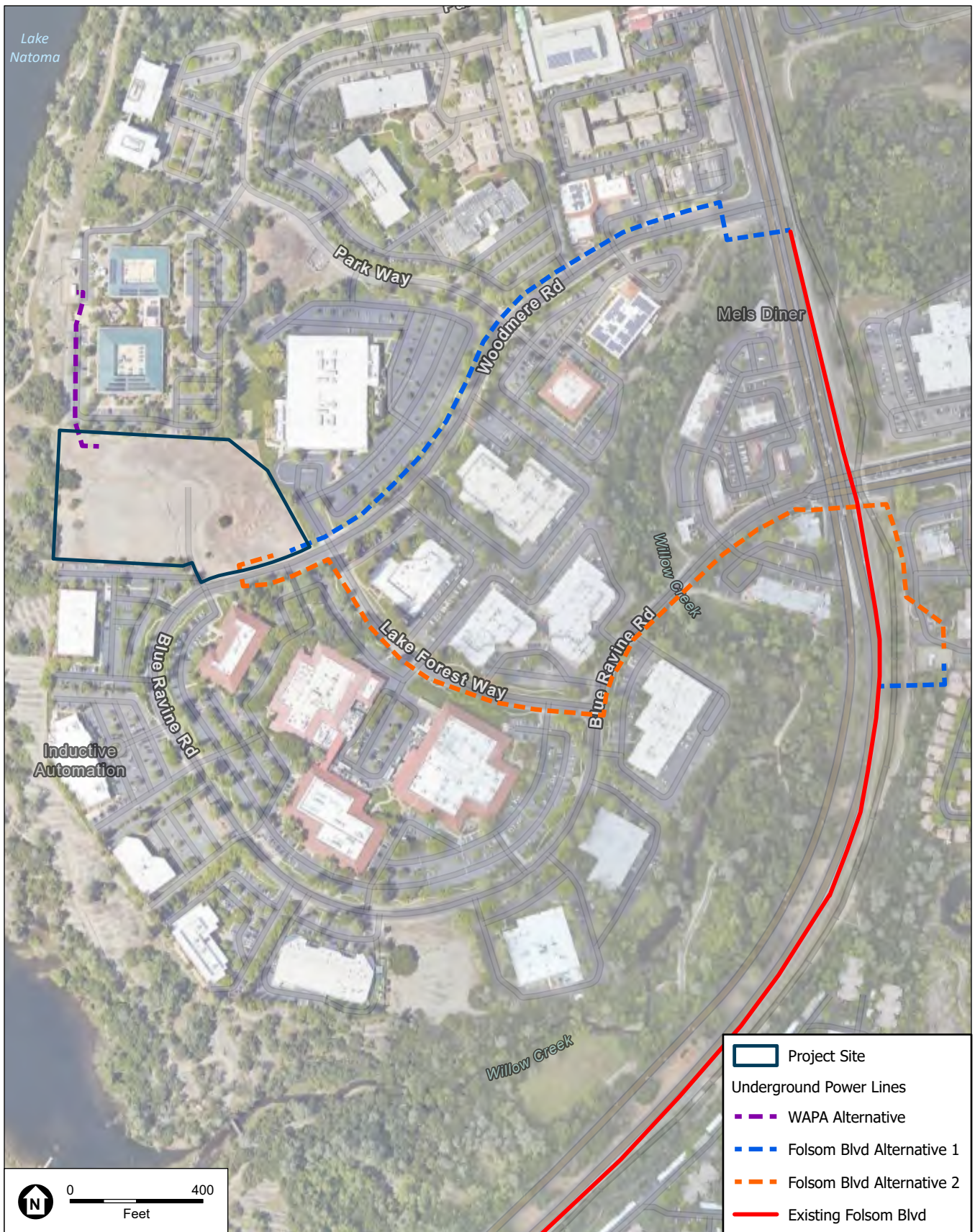
### *Utilities*

Utility service would be provided to the site through the existing utility connections accessible from existing public right of way. Some offsite utility improvements would be required to serve the Project. Those connections would be made to existing utility services at Folsom Boulevard and would require trenching within existing roadways and utility easements along one of the utility path alternatives identified in **Figure 2-5**. Utility components of the Project would be completed during the first phase of Project development.

## **2.4.2 Project Operation and Maintenance**

Operation of the proposed administrative operations building would take place during all hours. Operation would occur across two 12-hour shifts, beginning and ending at 6:00 am and 6:00 pm respectively. Workers at the Project site would include 10 workers for Phase 1 and 30 workers for Phase 2, for a total of 40 workers, split across two-shifts.





SOURCE: esri, 2023; Sacramento County, 2023; ESA, 2024

Folsom Administrative Operations Building Project

**Figure X**  
Offsite Improvements



### **2.4.3 Project Construction**

#### *Construction Phasing*

Construction of the Project phases (Phase 1 and 2) may occur sequentially, or they may overlap, and not all pieces of construction equipment may be used for the entire duration of a construction phase. The phases of construction would include the following:

- Site preparation
  - clearing and grubbing
  - site grading
  - site drainage
  - fencing installation
  - below-grade civil construction, including water and sewer lines, foundations, electrical grounding, and conduits.
- Structural Components
  - administrative operations building construction
  - electrical equipment installation

#### *Site Preparation*

The Project site was previously graded so minimal clearing and grubbing is anticipated to be needed for construction of the Project. Any existing vegetation would be cleared from the site, as needed.

As part of site preparation, the existing storm drain infrastructure within the site would be rerouted along the southern and western perimeter of the property within an approximately 15-foot-wide service easement to be made available for drainage infrastructure maintenance.

The proposed Project site would be further graded for construction of the proposed structures, surface drainage, and driveways and landscaped areas. SMUD anticipates the potential for excavation and removal of existing soil and import of backfill to establish final grade within the site. While volumes are not yet finalized, the Project currently estimates a volume of up to 30,000 cubic yards of exported soils and 10,000 cubic yards of imported fill for the purpose of this analysis.

Below grade water and sewer lines and subsurface drainage components would be installed. Foundations for the Phase 1 administrative operations building and communications tower would also be installed at or below grade. The maximum depth of construction within the Project site would be approximately 15 feet.

A 1,700-linear-foot security fence would be installed around the perimeter of the Project site. The proposed perimeter fence will be similar to the perimeter fence of the adjacent Western Area Power Administration (WAPA) facility, to the north. Landscaping would be installed between the property line and the new perimeter fence.

The new administrative operations building would be constructed utilizing building materials and methods common to the proposed size and type of structures proposed. The Project would not require heavy noise-generating construction methods such as pile construction.

*Construction Schedule*

Construction of Phase 1 would be anticipated to begin during the 3rd quarter of 2025 and be anticipated to last approximately 18-22 months. Future construction of Phase 2 has not been scheduled and would be anticipated to last approximately 18 months.

Table 2-1 summarizes the timeline for the Project construction phases. The phases may be sequential, or they may overlap.

**Table 2-1. Project Phase Timeline**

Project Construction Phase	Timeline
Clearing and grubbing	1 weeks
Grading, drainage facilities, and access road improvements	16 weeks
Installation of perimeter fencing	4 weeks
Installation of water and sewer lines, electrical grounding, below-ground conduits, cable troughs, and foundations	16 weeks
Construction of the administrative operations building	80 weeks
Construction of the communications tower	8 weeks
Paving of the Project interior driveways and access roads	2 weeks
Commissioning phase	10 weeks
Total Anticipated Construction Duration	88 weeks

*Personnel, Equipment, and Staging*

Construction would require an average daily worker population of approximately 50 workers, with up to approximately 70 workers during peak construction activities associated with on-site demolition, re-grading, and heavy equipment deliveries. Crews would normally work Monday through Friday from 7 a.m. to 3:30 p.m.

Table 2-2 provides summary of the typical and anticipated construction equipment that would be used for each Project phase.

Staging for construction equipment and a materials laydown area would be located within the existing site along the east side of the Project site.

Construction materials would be delivered to the site and stored on the Project site or in the designated staging and laydown area. Deliveries would be made by concrete trucks, flatbed trucks, and tractor-trailer rigs. Hazardous materials, including paint, grease, epoxies, and oil would be delivered to the site, and stored in either storage lockers or covered containers with secondary containment, in accordance with local, state, and federal requirements.

**Table 2-2. Summary of Anticipated Equipment for Each Project Phase**

Equipment	Project Phase
Asphalt paver	Paving
Backhoe	Clearing and grubbing, grading, fencing, below grade civil construction, building construction, paving
Boom truck	Building construction
Compactor	Clearing and grubbing, grading
Concrete truck	Fencing, below grade civil construction, building construction,
Crane	Building construction, erection of structural steel components, tower construction
Crew vehicles	Clearing and grubbing, grading, fencing, below grade civil construction, building construction, paving, erection of structural steel components,
Dozer	Clearing and grubbing, grading
Excavator	Clearing and grubbing, grading, fencing, below grade civil construction, building construction
Forklift	Fencing, below grade civil construction, control building construction, tower construction
Front-end Loader	Clearing and grubbing, grading, below grade civil construction, building construction, paving
Generator	Clearing and grubbing, grading, fencing, below grade civil construction, building

Equipment	Project Phase
	construction, paving
Grader	Clearing and grubbing, grading
Manlift	Building construction, tower construction
Scraper	Clearing and grubbing, grading
Semi-end dump truck	Clearing and grubbing, grading, fencing, below grade civil construction, building construction, paving
Semi-flatbed truck	Fencing, below grade civil construction, building construction
Service truck	Clearing and grubbing, grading, fencing, below grade civil construction, building construction, paving
Skid steer with drills	Fencing, below grade civil construction, building construction
Tandem haul trucks	Clearing and grubbing, grading
Truck-mounted drill rig	Below grade civil construction, control building construction,
Vibratory roller	Clearing and grubbing, grading, fencing, below grade civil construction, building construction, paving
Water truck/sweeper	Clearing and grubbing, grading, fencing, below grade civil construction, building construction, paving
Welder	Below grade civil construction, building construction, Tower construction

## 2.5 Potential Permits and Approvals Required

Elements of the Project could be subject to the permitting and/or approval authority of other agencies. As the lead agency pursuant to CEQA, SMUD is responsible for considering the adequacy of this IS/MND and determining whether the Project should be approved. The following agencies could require permits or approvals as part of Project implementation:

- California Department of Transportation (Caltrans):** Caltrans issues permits for movement of oversized or excessive loads on state highways.
- Sacramento Metropolitan Air Quality Management District (SMAQMD):** Authority to Construct/Permit to Operate pursuant to SMAQMD Regulation 2 (Rule 201 et seq.).
- City of Folsom:** The Project would require subsequent entitlements, specifically a Planned Development Permit and Conditional Use Permit, followed by any site improvement and building permits as required by Folsom Municipal Code.
- State Water Board:** Construction General Stormwater Permit

- **Federal Aviation Administration (FAA):** Negative Declaration for Air Navigation (From 760) for the Proposed Communications Tower
- **Federal Communications Commission (FCC):**
  - Environmental Certification for the Proposed Communications Tower
  - License to Transmit for the Proposed Communications Tower

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## 3.0 ENVIRONMENTAL IMPACT EVALUATION

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### 3.0 Evaluation of Environmental Impacts

1. A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project would not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
4. “Negative Declaration: Less Than Significant with Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less-Than-Significant Impact.” The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less-than-significant level (mitigation measures from “Earlier Analyses,” as described in (5) below, may be cross-referenced).
5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 150631(3)(D). In this case, a brief discussion should identify the following:
  - a. Earlier Analysis Used. Identify and state where they are available for review.
  - b. Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.

- c. Mitigation Measures. For effects that are “Less than Significant with Mitigation Measures Incorporated,” describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the Project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project’s environmental effects in whatever format is selected.
9. The explanation of each issue should identify:
  - a. the significance criteria or threshold, if any, used to evaluate each question; and
  - b. the mitigation measure identified, if any, to reduce the impact to less than significance.



### 3.1 Aesthetics

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>I. Aesthetics.</b>				
Except as provided in Public Resources Code Section 21099 (where aesthetic impacts shall not be considered significant for qualifying residential, mixed-use residential, and employment centers), would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage points.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### 3.1.1 Environmental Setting

The Project site is an undeveloped, relatively flat parcel that has been previously cleared and graded and has become compacted over the last several years resulting in little vegetative cover. Shore Court extends into the center of the site from Woodmere Road.

#### 3.1.2 Discussion

**a) Have a substantial adverse effect on a scenic vista?**

**Less than Significant.** A scenic vista is generally considered a view of an area that has remarkable scenery or of a resource that is endemic to the area. Scenic vistas within the city of Folsom vary from short-range to long-range views, depending upon the topography, intervening buildings, and the presence of mature vegetation (City of Folsom 2018). Elevated views of Lake Natoma and the American River Parkway from surrounding bluffs provide remarkable scenery and are considered a scenic vista. As shown in **Figure 3.1-4** and discussed in greater detail in response (c) below, due to distance and

intervening vegetation, the proposed development would be nearly indistinguishable from surrounding development when viewed from the western shore of Lake Natoma. The Project would blend with the surrounding existing business development and would not have a substantial adverse effect on this scenic vista. This impact would be less than significant.

**b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?**

**No Impact.** According to the California Scenic Highway Mapping System, at approximately 20 miles to the east, U.S. 50 east of Placerville is the closest officially designated scenic highway to the Project site. SR 49, ranging from 15 to 20 miles east of the Project site, is eligible for official designation as a state scenic highway. Given the distances between the Project site and these highways, it can be assumed that the Project would not be visible to travelers along either corridor. There are no federal byways or County designated scenic routes in the Project vicinity. No impact to scenic resources within a state scenic highway would occur.

**c) In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage points.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?**

The Project site is located in an urbanized area but is adjacent to a non-urbanized area that includes open space and recreational uses. As discussed in greater detail in Section 3.11, “Land Use and Planning,” the Project would be required to obtain a Planned Development Permit from the City of Folsom for the proposed communications tower to exceed the maximum height standard established for the Project site. The Project is designed to be consistent with the applicable zoning and development standards related to design and aesthetics including requirements for neutral colored building exteriors, shielded lighting, and landscape screening, and would be subject to review by the City of Folsom Planning Commission to achieve desired city standards.

Three key observation points (KOPs) were selected for focused evaluation of the Project’s potential effects on public views. **Figure 3.1-1** shows the location of each KOP in relation to the Project site. As shown, the KOPs provide a range of public viewpoints located within the visually sensitive American River Parkway. **Figures 3.1-2** through **3.1-4** provide visual simulations of the anticipated views of the Project site from each of the KOPs. **Table 3.1-1** describes each of the selected KOPs and summarizes the anticipated visual effects of the Project on each viewpoint.



**Table 3.1-1. Summary of Key Observation Points and Project Visual Effects**

Key Observation Point	Description	Evaluation of Visual Effect
KOP 1	KOP 1 represents short range views of vehicle passengers and pedestrians as they approach the Project site from Woodmere Road.	<p>As shown in Figure 3.1-2, with development of the Project, views from KOP 1 would fundamentally change from a vacant site to an office building with prominent communications tower, security fencing, and trees.</p> <p>While this change would be considered substantial, the proposed development would be consistent with surrounding development and would be expected given the site's location within an established business park. Furthermore, consistent with the development standards established for the Lake Forest Technical Center, the proposed building exterior would be finished with neutral colors that would blend with surrounding scenery and would be screened from view by shade trees and other landscaping. Therefore, while the visual change from the current vacant lot at KOP 1 would be substantial, it would not degrade the visual character or quality of the site.</p>
KOP 2	KOP 2 represents short range views of cyclists and other recreationists using the Jedediah Smith Memorial Trail/American River Bike Trail immediately west of the Project site	<p>From KOP 2, existing external vegetation along the Trail as well as proposed perimeter trees would limit views of the proposed development to the northwestern corner of the site. As shown in Figure 3.1-3, the corner of the proposed building and fencing would be partially visible but because of the neutral toned building finishes it would blend with the surrounding scenery and would not become a prominent visual feature. The upper portion of the proposed telecommunications tower would be visible from this location as it projects above the roof line of the proposed building. However, given its distance from KOP 2 and the position of the trail below the grade of the project site, the tower is mostly obscured by the building and existing and proposed vegetation and would not become a prominent visual feature at this location.</p> <p>This segment of the American River Bike Trail is in a non-urbanized setting. However, compared to areas just to the north and south of the business park, views from the segment of the bicycle trail that runs adjacent to the business park includes numerous breaks in vegetation where urbanized development is visible. Cyclists and pedestrians traveling along this segment of the trail are frequently exposed to views of office buildings, fencing, and pole-mounted utilities, which are relatively consistent with the presence of a communications tower.</p>



Key Observation Point	Description	Evaluation of Visual Effect
KOP 3	KOP 3 represents mid-range views of the eastern shore of Lake Natoma from Arden Bluff which sits at a higher elevation than the Project site on the west side of Lake Natoma. This KOP is located at a public trailhead that connects the Arden Bluff neighborhood in unincorporated Sacramento County with the Jedediah Smith Memorial Trail/American River Bike Trail.	In context, introduction of the Project to the existing views at KOP 2 would be consistent with the setting within this segment of the trail and would not substantially degrade the visual character or quality. Therefore, while the visual change from the current vacant lot at KOP 1 would be substantial, it would not degrade the visual character or quality of the site.
		As shown on Figure 3.1-4, given the distance of KOP 3 from the Project site and the intervening thick vegetation, the proposed development would be nearly indistinguishable from surrounding development and pole-mounted utility lines. Implementation of the Project would not substantially degrade the visual character or quality of views at this location.

As described in Table 3.1-1, development of the Project site as proposed would not substantially degrade the existing visual character or quality of public views of the site and its surroundings. The Project could not meet the development standards adopted for the Lake Forest Technical Center, thus requiring the approval of a Planned Development Permit from the City of Folsom. Although the proposed communications tower would exceed the maximum height standards established for the site, as shown in Figures 3.1-1 through 3.1-4 and discussed in Table 3.1-1, the tower would be consistent with surrounding development and utilities. Additionally, views of the buildings and communications tower from the west of the Project site would be mostly obscured by screening trees. Compliance with applicable zoning regulations and the development standards established for the Lake Forest Technical Center would ensure that development of the site blends with the surrounding business park and minimizes effects to surrounding views. This impact would be less than significant.

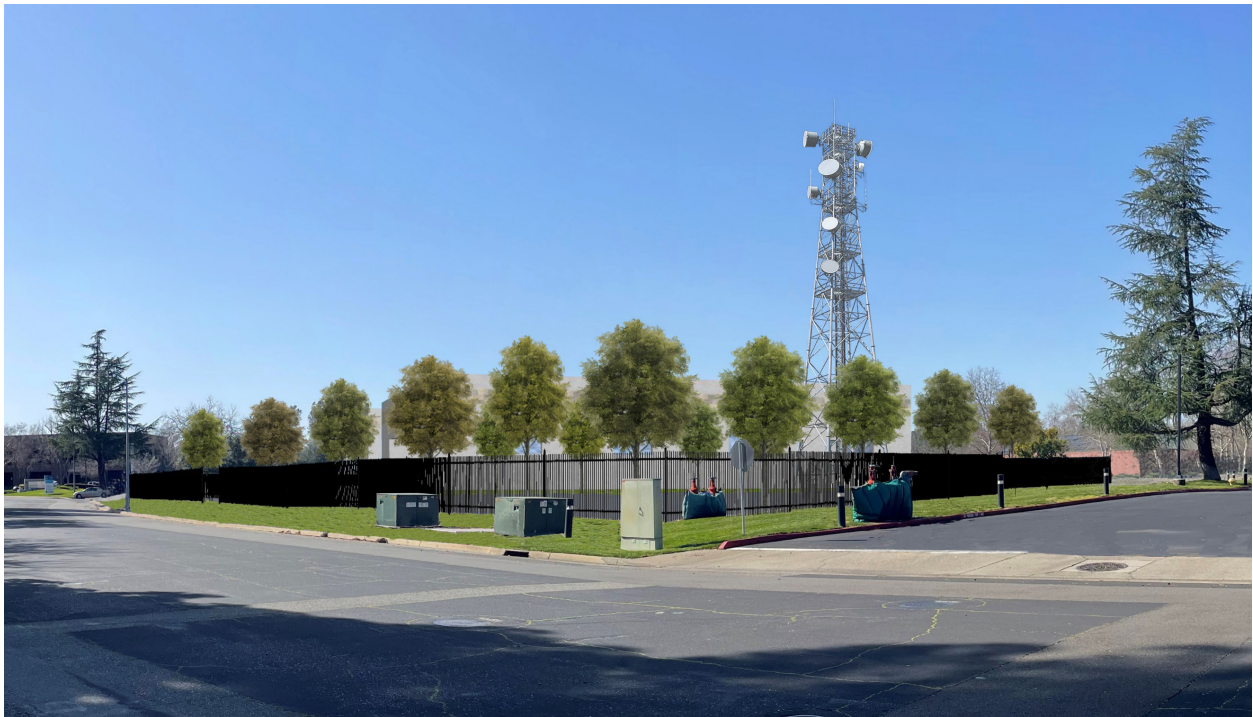
**d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?**

**Less than Significant.** Construction activities would occur during daylight hours and would not require nighttime lighting. Construction equipment is unlikely to have reflective surfaces, other than what is required for safety purposes, and would not be a substantial source of glare in the Project area. During Project operation, exterior lighting would be present throughout the site for security purposes and would include both building and pole-mounted lighting fixtures. In accordance with City standards, all lighting fixtures would be shielded and directed downward to avoid light spillage onto adjacent properties, including the open space area to the west of the Project site, and illumination of the night sky. Compliance with existing local regulations would ensure that visibility of proposed lighting from offsite viewpoints would be minimized to the extent possible. Therefore, this impact would be less than significant.

**Figure 3.1-1. Key Observation Point Locations**



**Figure 3.1-2. Key Observation Point 1**



**Figure 3.1-3. Key Observation Point 2**





**Figure 3.1-4. Key Observation Point 3**



### 3.2 Agriculture and Forestry Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>II. Agriculture and Forest Resources.</b>				
<p>In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997, as updated) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland.</p> <p>In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state’s inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.</p>				
Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### 3.2.1 Environmental Setting

The Project is located in an urbanized area within an existing business park. There are no agricultural or forestry uses within or near the Project site.

### 3.2.2 Discussion

- a) **Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?**

**No Impact.** The Project would have no impact on agricultural use of parcels designated Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. The Project site is not located on land designated either as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. Because implementation of the Project would not result in the conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance to non-agricultural use, there would be **no impact** and no mitigation is required.

- b) **Conflict with existing zoning for agricultural use or a Williamson Act contract?**

**No Impact.** The proposed administrative operations building Project is located on parcels zoned “M-1 PD – Light Industrial, Planned Development District.” There are no parcels near the Project site zoned for agriculture or under an active Williamson Act contract. Thus, there would be **no impact** and no mitigation is required.

- c) **Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?**

- d) **Result in the loss of forest land or conversion of forest land to non-forest use?**

**No Impact.** The Project site does not include provisions for timberland or forest land. There are no parcels surrounding the Project site with zoning for forest land, timberland, or timberland zoned Timberland Production. Therefore, there would be **no impact** and no mitigation is required.

- e) **Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?**

**No Impact.** As described above, the Project site is not located within or near agricultural uses or forest resources. The Project would not result in conversion of farmland to non-agricultural use or conversion of forest land to non-forest use. Therefore, the Project would result in **no impact**, and no mitigation is required.

### 3.3 Air Quality

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>III. Air Quality.</b>				
Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied on to make the following determinations.				
Are significance criteria established by the applicable air district available to rely on for significance determinations?	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### 3.3.1 Environmental Setting

Air quality in Sacramento County is regulated by several jurisdictions including the U.S. Environmental Protection Agency (US EPA), the California Air Resources Board (CARB), and the Sacramento Metropolitan Air Quality Management District (SMAQMD). Each of these jurisdictions develops rules, regulations, and policies to attain the goals or directives imposed upon them through legislation.

The US EPA has established national ambient air quality standards (NAAQS) for six criteria air pollutants, which are known to be harmful to human health and the environment: carbon monoxide, lead, nitrogen dioxide, ozone, particulate matter (which is categorized into particulate matter less than or equal to 10 microns in diameter [PM<sub>10</sub>] and particulate matter less than or equal to 2.5 microns in diameter [PM<sub>2.5</sub>]), and sulfur dioxide. The State of California has established the California ambient air quality standards (CAAQS) for these six pollutants, as well as for sulfates, hydrogen sulfide, vinyl chloride, and visibility-

reducing particles. NAAQS and CAAQS were established to protect the public from adverse health impacts caused by exposure to air pollution (USEPA 2023).

The designation of an area as in attainment, nonattainment, or unclassified, with respect to applicable standards is the responsibility of CARB. An “attainment” designation for an area signifies that pollutant concentrations did not violate the applicable standard in that area. A “nonattainment” designation indicates that a pollutant concentration violated the applicable standard at least once. An “unclassified” designation signifies that the data does not support either an attainment or nonattainment designation.

The Project site is located within the Sacramento Valley Air Basin (SVAB). Sacramento County is currently designated as nonattainment for both the federal and state ozone standards, the federal PM<sub>2.5</sub> standard, and the state PM<sub>10</sub> standard. The region is designated as in attainment or as unclassifiable for all other NAAQS and CAAQS (CARB 2024a).

SMAQMD is the local agency responsible for air quality planning and development of air quality plans in the Project area. SMAQMD maintains an attainment plan for achieving the state and federal ozone standards that was updated and approved by the SMAQMD Board and CARB in 2017. The air quality plan establishes strategies to achieve compliance with the NAAQS and CAAQS ozone standards in all areas within SMAQMD’s jurisdiction. There are currently no plans available for achieving the federal PM<sub>2.5</sub> or state PM<sub>10</sub> standards.

SMAQMD has developed the Sacramento Regional 2008 NAAQS 8-Hour Ozone Attainment and Reasonable Further Progress Plan as an air quality plan, which presents comprehensive strategies to reduce reactive organic gases (ROG), nitrogen oxides (NO<sub>x</sub>), PM<sub>10</sub>, and PM<sub>2.5</sub> emissions from stationary, area, mobile, and indirect sources to achieve attainment status of the NAAQS and CAAQS. The plan relies on projected population, employment, and vehicle miles traveled (VMT) growth from regional and local land use plans such as general plans or community plans to estimate population growth. Projects exceeding growth projections could increase VMT and mobile source emissions, conflicting with plan implementation. Such VMT increases beyond what’s projected in the Sacramento’s regional VMT modeling and SMAQMD’s regional air quality plan would significantly hinder SVAB’s ability to achieve CAAQS and NAAQS for all air pollutants.

Within California, there are additional regulated pollutants that pose a hazard to human health. These are broadly categorized as toxic air contaminants (TACs); these are regulated through the Tanner Air Toxics Act (AB 1807) and the Air Toxics Hot Spots Information and Assessment Act of 1987 (AB 2588). At the local level, the SMAQMD has authority over stationary or industrial sources, and all projects that require air quality permits from the SMAQMD are evaluated for TAC emissions. Among the TACs identified by CARB, diesel-exhaust particulate matter (DPM), recently designated, is one of CARB’s highest priorities, with an aggressive plan to require cleaner diesel fuel and cleaner diesel engines and vehicles (CARB 2024b).

### *Methods*

Emissions associated with the construction and long-term operation of the Project were calculated using the California Emissions Estimator Model (CalEEMod), version 2022.1.1.2. Methods and results of the analysis are presented in **Appendix A**.

### *Impact Thresholds*

SMAQMD-recommended thresholds of significance are used to determine if localized and/or regional air quality emissions would adversely affect human health (*Guide to Air Quality Assessment in Sacramento County, SMAQMD 2020*). Project-generated emissions are considered significant if the Project would:

- Result in short-term (construction) emissions of NOX above 85 maximum pounds per day (ppd);
- Result in short-term (construction) emissions of PM<sub>10</sub> above zero ppd without implementation of all best management practices (BMPs) and above 80 maximum ppd or 14.6 tons per year (tpy) after implementation of all BMPs;
- Result in short-term (construction) emissions of PM<sub>2.5</sub> above zero ppd without implementation of all BMPs and above 82 maximum ppd or 15.0 tpy after implementation of all BMPs;
- Result in long-term (operational) emissions of NOX or ROG above 65 maximum ppd;
- Result in long-term (operational) emissions of PM<sub>10</sub> above zero ppd without implementation of all BMPs and above 80 maximum ppd or 14.6 tpy after implementation of all BMPs;
- Result in long-term (operational) emissions of PM<sub>2.5</sub> above zero ppd without implementation of all BMPs and above 82 ppd or 15.0 tpy after implementation of all BMPs;
- Expose any off-site sensitive receptor to a substantial incremental increase in TAC emissions that exceed 10 in one million for carcinogenic risk (i.e., the risk of contracting cancer) and/or a noncarcinogenic hazard index of 1.0 or greater; or
- Create objectional odors affecting a substantial number of people.

Importantly, both the construction and operational thresholds for PM<sub>10</sub> and PM<sub>2.5</sub>, as described above, assume the application of SMAQMD-recommended BMPs and the use of Best Available Control Technology (BACT) to minimize emission of PM<sub>10</sub> and PM<sub>2.5</sub>. Without the application of BMPs and BACT, the threshold for PM<sub>10</sub> and PM<sub>2.5</sub> during construction and operations is zero pounds per day.

### 3.3.2 Discussion

#### a) Conflict with or obstruct implementation of the applicable air quality plan?

**Less than Significant.** According to the SMAQMD, construction of land use development projects have the potential to obstruct the success of the regional ozone attainment plans and would therefore be considered significant and require mitigation. The Project would be required to comply with all SMAQMD rules and regulations for construction, including but not limited to,

- Rule 403 related to Fugitive Dust
- Rule 404 related to Particulate Matter

To apply the PM<sub>10</sub> and PM<sub>2.5</sub> thresholds presented in *Impact Thresholds*, projects must implement all feasible SMAQMD BACTs and BMPs related to dust control. In the case of construction activities, projects are required to implement the SMAQMD's identified Basic Construction Emissions Control Practices (BCECPs), which are considered by the SMAQMD to be the applicable construction BMPs. The BMPs are listed as Mitigation Measure 3.3-1 under Impact b).

The control of fugitive dust during construction is required by SMAQMD Rule 403 and enforced by SMAQMD staff. Emissions of ROG, NO<sub>x</sub>, PM<sub>10</sub>, and PM<sub>2.5</sub> from construction are discussed below. As discussed in Impact b), criteria air pollutant emissions are expected to be below the construction emissions thresholds.

If the Project's maximum operational daily emissions of ROG, NO<sub>x</sub>, PM<sub>10</sub> or PM<sub>2.5</sub> during either the summer or winter season or annual emissions of PM exceeds SMAQMD's thresholds of significance, then the Project will have a significant air quality impact and conflict with or obstruct implementation of the District's air quality planning efforts. It is anticipated that operational activities associated with the Project would include operation of the newly constructed office facility, the use of back-up generators, employee trips, and operation and maintenance of the facility. As discussed in Impact b), criteria air pollutant emissions are expected to be below the operational emissions thresholds.

For these reasons, short-term construction and long-term operation of the Project would not conflict with or obstruct air quality planning efforts. As a result, this impact would be considered less than significant, and no mitigation is required.

#### b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?

**Less than significant with mitigation incorporated.** The Project would generate criteria air pollutant emissions from both construction and operation, and each are evaluated to determine the extent to which the Project may result in a cumulatively considerable net increase of any criteria pollutant for which the Project region is non-attainment under an applicable federal or state ambient air quality

standard. The project-specific air quality emissions analysis includes an analysis of both construction and operational emissions estimated using the California Emissions Estimator Model and compares the estimated emissions to quantitative thresholds from the *SMAQMD Thresholds of Significance*, to determine the level of significance of this impact. Both phases of construction and operational emissions of the Project are estimated to be below these thresholds.

#### Construction Emissions

The Project includes construction activities that would require the use of trucks/vehicles and heavy construction equipment (e.g., scrapers, loaders, cranes, etc.). Construction of the Project was modeled over an approximately 27-month period beginning in July 2025 and ending in October 2029. Construction is assumed to occur five days per week. Phase 1 construction includes the majority of the Project's facilities, including the office building, communications tower, perimeter fencing, ground utilities, and parking lot. Phase 2 construction includes an extension to the office building facility.

A quantitative analysis of the Project's construction criteria air pollutant emissions was conducted using the latest version of CalEEMod to determine whether the Project could result in construction emissions would exceed the SMAQMD criteria air pollutant significance thresholds. CalEEMod incorporates the engine tier status of equipment by default based on the equipment inventory mix for the given construction year. The estimated construction emissions are presented in **Table 3.3-1 and Table 3.3-2** for Phases 1 and 2, respectively, *Construction Emissions Summary*.

As shown in Tables 3.3-1 and 3.3-2, the total construction emission of the Project over the approximately 27-month period would be below the SMAQMD threshold of significance. As a result, Project construction activities would not result in a cumulatively considerable net increase of any criteria pollutant for which the Project region is in non-attainment status under an applicable federal or state ambient air quality standard during construction, and this impact would be less than significant.

#### Operational Emissions

Project operation would begin in 2027 for Phase 1 and 2029 for Phase 2. Once operational, the Project would generate minimal air pollutant emissions. Anticipated operational emissions would primarily be limited to sources such as staff vehicle trips, area sources such as consumer products and landscape maintenance, energy sources such as natural gas usage, and stationary sources such as back-up emergency generators. The expected daily pollutant generation from these sources associated with the Project was estimated using CalEEMod and are presented in **Table 3.3-3 and 3.3-4** for Phases 1 and 2, respectively, *Operational Emission Summary*.



**Table 3.3-1. Phase 1 Construction Emissions Summary**

Construction Activity	Emissions <sup>1</sup> ROG (lbs/day)	Emissions <sup>1</sup> NO <sub>x</sub> (lbs/day)	Emissions <sup>1</sup> PM <sub>10</sub> (lbs/day)	Emissions <sup>1</sup> PM <sub>2.5</sub> (lbs/day)	Emissions <sup>1</sup> PM <sub>10</sub> (tons/year)	Emissions <sup>1</sup> PM <sub>2.5</sub> (tons/year)
2025	1.06	9.40	1.28	0.69	0.23	0.13
2026	2.40	17.30	0.83	0.64	0.15	0.12
2027	2.90	12.50	0.58	0.44	0.11	0.08
Maximum Emissions <sup>2</sup> :	2.90	17.30	1.28	0.69	0.23	0.13
SMAQMD Thresholds <sup>3</sup> :	None	85	0/80	0/82	0/14.6	0/15
Exceeds Thresholds?	NO	NO	YES/NO	YES/NO	YES/NO	YES/NO

<sup>1</sup> Emissions were quantified using the CalEEMod, v2022.1.1.2, computer program. Includes onsite and offsite sources. Does not include reductions in fugitive dust associated with compliance with SMAQMD's BMP. Totals may not sum due to rounding.

<sup>2</sup> Maximum daily emissions assumes some activities could potentially occur simultaneously on any given day.

<sup>3</sup> SMAQMD has established a zero emissions threshold for PM10 and PM2.5 when projects do not implement SMAQMD-recommended BMPs.

Lbs/day = pounds per day; ton/year = tons per year; NO<sub>x</sub> = oxides of nitrogen; PM<sub>10</sub> = respirable particulate matter (10 micrometers or less); PM<sub>2.5</sub> = respirable particulate matter (2.5 micrometers or less)

Source: ESA 2024

**Table 3.3-2. Phase 2 Construction Emissions Summary**

Construction Activity	Emissions <sup>1</sup> ROG (lbs/day)	Emissions <sup>1</sup> NO <sub>x</sub> (lbs/day)	Emissions <sup>1</sup> PM <sub>10</sub> (lbs/day)	Emissions <sup>1</sup> PM <sub>2.5</sub> (lbs/day)	Emissions <sup>1</sup> PM <sub>10</sub> (tons/year)	Emissions <sup>1</sup> PM <sub>2.5</sub> (tons/year)
2027	0.37	2.59	0.12	0.09	0.02	0.02
2028	2.39	16.20	0.73	0.56	0.13	0.10
2029	1.41	5.95	0.27	0.20	0.05	0.04
Maximum Emissions <sup>2</sup> :	2.39	16.20	0.73	0.56	0.13	0.10
SMAQMD Thresholds <sup>3</sup> :	None	85	0/80	0/82	0/14.6	0/15
Exceeds Thresholds?	NO	NO	YES/NO	YES/NO	YES/NO	YES/NO

<sup>1</sup> Emissions were quantified using the CalEEMod, v2022.1.1.2, computer program. Includes onsite and offsite sources. Does not include reductions in fugitive dust associated with compliance with SMAQMD's BMP. Totals may not sum due to rounding.

<sup>2</sup> Maximum daily emissions assumes some activities could potentially occur simultaneously on any given day.

<sup>3</sup> SMAQMD has established a zero emissions threshold for PM10 and PM2.5 when projects do not implement SMAQMD-recommended BMPs.

Lbs/day = pounds per day; ton/year = tons per year; NO<sub>x</sub> = oxides of nitrogen; PM<sub>10</sub> = respirable particulate matter (10 micrometers or less); PM<sub>2.5</sub> = respirable particulate matter (2.5 micrometers or less)

Source: ESA 2024

**Table 3.3-3. Phase 1 Operational Emissions Summary**

Operational Source Emission	Emissions <sup>1</sup> ROG (lbs/day)	Emissions <sup>1</sup> NO <sub>x</sub> (lbs/day)	Emissions <sup>1</sup> PM <sub>10</sub> (lbs/day)	Emissions <sup>1</sup> PM <sub>2.5</sub> (lbs/day)
Mobile	1.37	1.38	2.39	0.62
Area	1.48	0.01	< 0.005	< 0.005
Energy	0.00	0.00	0.00	0.00
Stationary	0.45	1.26	0.07	0.07
Average Daily Maximum Emissions <sup>2</sup> :	3.30	2.65	2.46	0.69
SMAQMD Thresholds <sup>3</sup> :	65	65	0/80	0/82
Exceeds Thresholds?	NO	NO	YES/NO	YES/NO

<sup>1</sup> Emissions were quantified using the CalEEMod, v2022.1.1.2, computer program. Includes onsite and offsite sources. Does not include reductions in fugitive dust associated with compliance with SMAQMD's BMP. Totals may not sum due to rounding.

<sup>2</sup> Maximum daily emissions assumes some activities could potentially occur simultaneously on any given day.

<sup>3</sup> SMAQMD has established a zero emissions threshold for PM10 and PM2.5 when projects do not implement SMAQMD-recommended BMPs.

Lbs/day = pounds per day; ton/year = tons per year; NO<sub>x</sub> = oxides of nitrogen; PM<sub>10</sub> = respirable particulate matter (10 micrometers or less); PM<sub>2.5</sub> = respirable particulate matter (2.5 micrometers or less)

Source: ESA 2024

**Table 3.3-4. Phase 2 Operational Emissions Summary**

Operational Source Emission	Emissions <sup>1</sup> ROG (lbs/day)	Emissions <sup>1</sup> NO <sub>x</sub> (lbs/day)	Emissions <sup>1</sup> PM <sub>10</sub> (lbs/day)	Emissions <sup>1</sup> PM <sub>2.5</sub> (lbs/day)
Mobile	0.66	0.63	1.27	0.33
Area	0.75	0.01	< 0.005	< 0.005
Energy	0.00	0.00	0.00	0.00
Average Daily Maximum Emissions <sup>2</sup> :	1.42	0.88	1.29	0.35
Full Buildout of Combined Phase 1 and 2 Emissions	4.71	3.29	3.73	1.02
SMAQMD Thresholds <sup>3</sup> :	65	65	0/80	0/82
Exceeds Thresholds?	NO	NO	YES/NO	YES/NO

<sup>1</sup> Emissions were quantified using the CalEEMod, v2022.1.1.2, computer program. Includes onsite and offsite sources. Does not include reductions in fugitive dust associated with compliance with SMAQMD's BMP. Totals may not sum due to rounding.

<sup>2</sup> Maximum daily emissions assumes some activities could potentially occur simultaneously on any given day.

<sup>3</sup> SMAQMD has established a zero emissions threshold for PM10 and PM2.5 when projects do not implement SMAQMD-recommended BMPs.

Lbs/day = pounds per day; ton/year = tons per year; NO<sub>x</sub> = oxides of nitrogen; PM<sub>10</sub> = respirable particulate matter (10 micrometers or less); PM<sub>2.5</sub> = respirable particulate matter (2.5 micrometers or less)

Source: ESA 2024

As shown in Table 3.3-3 and 3.3-4, the Project would result in criteria pollutant emissions during Project operation that would be well below the significance thresholds for both phases and combined. Therefore, the Project would not result in a cumulatively considerable net increase of any criteria pollutant for which the project region is in non-attainment status under an applicable federal or state ambient air quality standard during operation, and this impact would be less than significant.

The Project's projected maximum construction and operational emissions do not exceed SMAQMD's daily or annual construction emission standards. However, SMAQMD predicates the particulate matter standard on adherence to their *Basic Construction Emission Control Practices and Best Management Practices*. Without the application of the SMAQMD's BMPs, this impact would be potentially significant. Mitigation Measure 3.3-1 would require that the Project implement the SMAQMD's BMPs.

**Mitigation Measure 3.3-1. Implement SMAQMD Emissions Controls and BMPs.**

*SMUD or the authorized contractor will adhere to the SMAQMD basic construction emissions control practices, including, but not limited to the measures listed below, and additional measures designed to limit diesel particulate matter:*

- *Water all exposed surfaces two times daily. Exposed surfaces include, but are not limited to soil piles, graded areas, unpaved parking areas, staging areas, and access roads;*
- *Cover or maintain at least two feet of free board space on haul trucks transporting soil, sand, or other loose material on the site. Any haul trucks that would be traveling along freeways or major roadways should be covered;*
- *Use wet power vacuum street sweepers to remove any visible track-out mud or dirt onto adjacent public roads at least once a day. Use of dry power sweeping is prohibited;*
- *Limit vehicle speeds on unpaved roads to 15 miles per hour (mph);*
- *All roadways, driveways, sidewalks, parking lots to be paved should be completed as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used;*
- *Minimize idling time either by shutting equipment off when not in use or reducing the time of idling to 5 minutes [California Code of Regulations, Title 13, sections 2449(d)(3) and 2485]. Provide clear signage that posts this requirement for workers at the entrances to the site;\**

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\* This BMP for idling specifically applies to diesel-powered equipment. Non-diesel vehicles are not required to limit idling time.

- *Provide current certificate(s) of compliance for CARB's In-Use Off-Road Diesel-Fueled Fleets Regulation [California Code of Regulations, Title 13, sections 2449 and 2449.1];<sup>†</sup> and*
- *Maintain all construction equipment in proper working condition according to manufacturer's specifications. The equipment must be checked by a certified mechanic and determined to be running in proper condition before it is operated.*

### Significance After Mitigation

SMAQMD has established a zero emissions threshold for PM<sub>10</sub> and PM<sub>2.5</sub> when projects do not implement SMAQMD-recommended BMPs. Maximum emissions without mitigation fall below the threshold applicable to projects that implement SMAQMD-recommended BMPs. Mitigation measure 3.3-1 mandates construction activities adhere to SMAQMD's Basic Construction Emission Control Practices. Therefore, construction-generated and operational-generated emissions would be considered to have a less than significant impact.

#### **c) Expose sensitive receptors to substantial pollutant concentrations?**

**Less than significant with mitigation incorporated.** Localized air quality impacts associated with the Project would be predominantly associated with short-term construction activities. Pollutants associated with earth moving and general constructing activities include fugitive dust and TACs. There are no sensitive receptors located within 1,000 feet of the Project boundary site.

### Fugitive Dust

Fugitive dust emissions would be associated with site preparation activities including grading and vehicle travel on unpaved and paved surfaces. Uncontrolled emissions of fugitive dust may also contribute to potential increases in nuisance impacts to nearby receptors. Construction generated fugitive dust, generally associated with PM<sub>10</sub>, would be limited by implementation of SMAQMD construction BMPs.

### TACs

Typically, emissions of PM<sub>10</sub> exhaust are used as a surrogate for DPM emissions in health risk calculations. As shown in Tables 3-1, 3-2, 3-3, and 3-4 above, total PM<sub>10</sub> emissions from both construction and operation would be well below the SMAQMD significance thresholds for criteria pollutant assessment. The Project would not involve emissions at levels consistent with intensive or long-lasting construction activities nor expose threshold amounts during operation of the facility.

These localized, short-term emissions would be reduced with the implementation of Mitigation Measure 3.3-1, which requires adherence to all applicable SMAQMD construction emissions control practices.

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<sup>†</sup> This BMP specifically applies to diesel-powered equipment.

**Mitigation Measure 3.3-1. Implement SMAQMD Emissions Controls and BMPs. (described above)****Significance After Mitigation**

Mitigation Measure 3.3-1 would require compliance with SMAQMD's BMP's for the control of construction related emissions, including fugitive dust and DPM. The potential impact on air quality would be reduced to a less than significant level.

**d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?**

**Less than significant.** The Project may create temporary construction odors from combustion of diesel fuel in equipment engines, but the impact would not be considered significant as these temporary odors would disperse rapidly and are rarely observed beyond Project site boundaries. In addition, pavement coatings and architectural coatings used during Project construction would also emit temporary odors. However, construction-generated emissions would occur intermittently throughout the workday and would dissipate rapidly with increasing distance from the source. The Project anticipates the use of two back-up diesel generators for the use of emergency operations. The use of generators are limited to 100 hours per year, which will create temporary operational odors from combustion of diesel fuel in the equipment's engine. Therefore, the Project would result in a less-than-significant impact related to the generation of odors.

### 3.4 Biological Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>IV. Biological Resources.</b>				
Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

### 3.4.1 Environmental Setting

This section describes biological resources in the Project site and evaluates potential impacts to such resources that may occur as a result of Project implementation. To determine the biological resources that may be subject to Project impacts, the following data sources were reviewed:

- U.S. Department of Agriculture National Resource Conservation Service Web Soil Survey
- CDFW's California Natural Diversity Database (CNDDDB)
- California Native Plant Society (CNPS) Online Inventory of Rare and Endangered Plants;
- U.S. Fish and Wildlife Service (USFWS) Information, Planning, and Consultation System; and
- USFWS National Wetlands Inventory

A field assessment was conducted of the Project site on February 15, 2024. The biological study area for the field assessment includes the Project site as well as a 500-foot buffer. Habitat types were documented, and plant and wildlife species were recorded. Habitats that were determined to be potential habitat for special status species were further assessed for suitability. **Appendix B** provides lists of special status species and an evaluation of their potential to occur within the biological study area that encompasses the Project site.

#### *Vegetation and Habitat Types*

Vegetation and habitat types within and surrounding vicinity of the Project site include riverine (4.19 acres), riparian (8.77 acres), disturbed (5.73 acres), and urban developed (30.05), as shown in **Figure 4**.

#### Riverine

The riverine habitat is comprised of 4.19 acres of Lake Natoma which runs near the Project site. Outside of the developed areas of study area, the largest habitat consists of Riparian Deciduous Woodland habitat comprised of large, interior live oaks and valley oaks (*Quercus lobata*), gray pines, and willows (*Salix* spp.). Many birds were observed or their calls were heard in the riparian habitat in the western portion of the study area including California scrub-jay, American pipit (*Anthus rubescens*), House finch, Nuttall's woodpecker (*Dryobates nuttallii*), Northern flicker (*Colaptes auratus*), song sparrow, oak titmouse (*Baeolophus inornatus*), Bewick's wren (*Thryomanes bewickii*), and ruby-crowned kinglet (*Corthylio calendula*).

#### Disturbed

The Project site is almost entirely comprised of disturbed habitat areas, as approximately 5.73 acres of exposed rocky soil, within the Project site, has been graded and leveled. Vegetation is sparse and is primarily concentrated in the western portion of the Project site. The only wildlife species found onsite

were killdeer, which tend to use open, flat, and rocky terrain that lacks vegetation to nest. Some rock and dirt piles in the northwest corner of the parcel included some burrows that may be utilized by other wildlife, such as burrowing owls (*Athene cunicularia*). However, these burrows appeared unused, and were filled with leaves and cobwebs.

### Urban Developed

A majority of the study area is an urban developed landscape. The City of Folsom is highly developed with residential houses and offices. Most plant species in this area are ornamental and do not provide habitat for wildlife. A maintained trail that transects the riparian habitat is included in the urban developed area.

### *Aquatic Resources*

No aquatic resources were observed within the Project site. A formal U.S. Army Corps of Engineers protocol-level wetland delineation was not conducted within the Project site, but no signatures of wetlands were present. The site is relatively flat with only one distinct depression. No water was ponded or collected in the depression during the survey, which occurred immediately after a rain event. The vegetation associated with the depression consists of upland trees and shrubs and the rocky substrate appears to be well drained. Lake Natoma is the only aquatic resources observed within the BSA. A search of USFWS' National Wetland Inventory did not reveal any other wetlands in the BSA.

### *Special-Status Species*

Special-status species are plants and animals that are legally protected under the federal Endangered Species Act (ESA), California Endangered Species Act (CESA), California Fish and Game Code, or local plans, policies, and regulations or that are otherwise considered sensitive by federal, state, or local resource conservation agencies. For this IS/MND, special-status species are defined as:

- species listed or proposed for listing as threatened or endangered under the ESA;
- species designated as candidates for listing as threatened or endangered under the ESA;
- species listed, proposed for listing, or candidates for listing as threatened or endangered under CESA;
- species listed as fully protected under the California Fish and Game Code;
- animals identified by the California Department of Fish and Wildlife (CDFW) as species of special concern (SSC);
- plants considered by CDFW to be “rare, threatened or endangered in California” and assigned California Rare Plant Ranks of 1A, presumed extinct in California; 1B, considered rare or



endangered in California and elsewhere; 2A, presumed extinct in California but more common elsewhere; and 2B, considered rare or endangered in California but more common elsewhere;

- species considered a locally significant species—that is, species that are not rare from a statewide perspective but are rare or uncommon in a local context, such as in a county or region (CEQA Section 15125[c]), or that are so designated in local or regional plans, policies, or ordinances (State CEQA Guidelines Appendix G); and
- taxa (i.e., taxonomic categories or groups) that meet the criteria for listing even if they are not currently included on any list, as described in CCR Section 15380 of the State CEQA Guidelines.

Based on a review of existing data sources, four special-status plant species and 11 special-status wildlife species have potential to occur in the Project area (Appendix B). Species ranges and habitat requirements were further evaluated to determine potential for occurrence on the Project site.

#### Special Status Plants

All four special-status plant species were determined to have no potential for occurrence within the Project site. Pincushion navarretia (*Navarretia mysersii*), Sacramento Orcutt grass (*Orcuttia viscida*), and Boggs Lake hedge hyssop (*Gratiola heterosepala*) rely on vernal pools and lake margins to grow and reproduce. Similarly, Sanford's arrowhead (*Sagittaria sanfordii*) grows in marshes and swamps. The American River would be too large and swift to support these species.

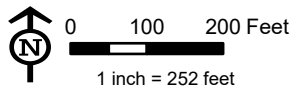
#### Special Status Wildlife

Out of the 11 special-status wildlife species documented as occurring within the regional study area, four species are considered to have low or moderate potential to occur within the Project study area:

- Northwestern pond turtle (Federal candidate threatened) (Moderate);
- Monarch butterfly – California Overwintering Population (Federal candidate) (Low);
- Valley elderberry longhorn beetle (Federal threatened) (Low); and
- Swainson's hawk (California threatened) (Low).



Source: Bing Maps Hybrid



- Project Site
- Biological Study Area (500' Buffer from Project Site)
- Disturbed (5.73-acres)
- Riparian (8.77-acres)
- Riverine (4.19-acres)
- Urban Developed (30.05-acres)

**Figure 3.4-1  
Habitat Components**

*SMUD  
Folsom Office Building Project*

Of the species with the potential to occur within the biological study area, only northwestern pond turtle was determined to have a moderate potential for occurrence within the Project site. Northwestern pond turtle requires slow moving ponded water and upland refugia for nesting. Backwaters associated with the Lake Natoma portion of the BSA provide habitat for this species. Riparian habitat and upland areas within the BSA provide moderate nesting habitat. The upland habitat available for nesting is narrow and surrounded by development. The Project site is not likely to support this species as the perimeter fencing would exclude it from entering.

#### Wildlife Movement

The riparian area adjacent to the Project site within the BSA is a corridor for animals moving along the river. Migrating species such as birds and Monarch butterfly have the potential to pass through the area.

#### Nesting Birds

Few trees are within the Project site itself, which limits the opportunities for birds to nest. However, the extensive gravels within the Project site provide ideal habitat for nesting Killdeer.

The abundance of trees in the riparian habitat within the riparian portion of the BSA provide good habitat for migrating and nesting birds. Due to a high presence of large oaks and willows, there is a moderate to high chance that some birds may nest in the riparian area in the BSA.

### 3.4.2 Discussion

- a) **Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?**

**Less than Significant with Mitigation Incorporated.** No impacts to special-status species or habitat are expected to result from implementation of the Project. The Project site has already been disturbed and provides little to no habitat for wildlife with the exception of ground-nesting rodents, killdeer, and songbirds. Raptors may utilize the open area within the Project site for hunting lizards and small rodents, but no trees within the Project site are tall enough to support nesting by raptors.

There are three (3) species with low potential to occur within the Project site, including monarch butterfly, valley elderberry longhorn beetle, and Swainson's hawk and one species, northwestern pond turtle with moderate potential to occur within the study area. The Project could have a potentially significant impact to these special-status species, and mitigation is required.

#### **Mitigation Measure 3.4-1: Impacts to Special-Status Species, Sensitive Habitats, and Aquatic Resources:**

The following actions shall be undertaken to reduce impacts to special-status species:

1. A Storm Water Pollution Prevention Plan (SWPPP) shall be developed prior to the ground disturbing activities. The SWPPP shall identify specific best management practices

(BMPs) which shall be implemented during construction to prevent discharges of sediment, oil, turbid water, and/or other potential toxic or hazardous substances to surface waters. The BMPs shall be installed and maintained so that they demonstrate effectiveness.

2. All areas of earth disturbance remaining after project implementation shall be stabilized and revegetated with a native seed mix.
3. Avoided trees shall be protected during construction activities. Specifically, work shall not be conducted within dripline of native oak trees to prevent vehicles from damaging the roots.
4. Removal of any native oak trees shall adhere to the replacement ratios required by the Sacramento County Tree Ordinance.
5. All work equipment shall be washed at an offsite location.
6. All fueling and maintenance of vehicles and equipment shall occur a minimum of 100 feet from aquatic resources and away from the dripline of native oak trees.
7. All vehicles and equipment shall be inspected for leaks prior to use.
8. Prior to construction, but not more than 14 days before grading, demolition or site preparation activities, a qualified biologist shall conduct a pre-construction survey to determine the presence of western pond turtles on or adjacent to the Project site. A temporary non-climbable fencing (or other solid fencing/barrier) shall be installed along the Project boundary adjacent to Lake Natoma as to exclude turtles from the active construction zone. If turtles are found within the construction zone, they shall be moved out of harm's way to appropriate areas by a qualified biologist as approved by CDFW and/or USFWS.
9. No elderberry shrubs (potential habitat for VELB) were observed within the Biological Study Area during the survey conducted on February 15, 2024. If more than two years have passed since the site visit, additional surveys for the elderberry shrubs shall be conducted by a qualified biologist prior to the start of work. If present, the USFWS shall be consulted to determine appropriate avoidance, minimization, and mitigation measures.
10. Pre-construction surveys shall be conducted by a qualified biologist during the appropriate bloom time to determine if milkweed (host plant for the monarch butterfly) is present. If present, CDFW shall be consulted to determine appropriate avoidance, minimization, and mitigation measures.
11. To avoid impacts to common and special-status migratory birds pursuant to the Migratory Bird Treaty Act and CDFW Codes, a nesting survey shall be conducted prior to construction activities if the work is scheduled between February 1 and August 31. The pre-construction nesting bird surveys will identify on-site bird species. If no nesting birds are found in or within 500 feet of the Project alignment during the pre-construction clearance surveys, construction activities may proceed as scheduled.

If pre-nesting behavior is observed, but an active nest has not yet been established (e.g., courtship displays, but no eggs in a constructed nest), a nesting bird deterrence and

removal program will be implemented. Such deterrence methods include removal of previous year's nesting materials and removal of partially completed nests in progress. Once a nest is situated and identified with eggs or young, it is considered to be "active" and the nest cannot be removed until the young have fledged.

If an active nest is found in or within 500 feet of the Project alignment during construction, a "No Construction" buffer zone will be established around the active nest (usually a minimum radius of 50 feet for passerine birds and 500 feet for raptors) to minimize the potential for disturbance of the nesting activity. The Project biologist/biological monitor will determine and flag the appropriate buffer size required, based on the species, specific situation, tolerances of the species, and the nest location. Project activities will resume in the buffer area when the Project biologist/biological monitor has determined that the nest(s) is (are) no longer active or the biologist has determined that with implementation of an appropriate buffer, work activities would not disturb the birds nesting behavior.

If special-status bird species are found nesting in or within 500 feet of the Project site, SMUD's Environmental Services shall notify CDFW or USFWS, as appropriate, within 24 hours of first nesting observation shall be consulted to determine appropriate avoidance, minimization, and mitigation measures.

#### Significance after Mitigation

With implementation of Mitigation Measure 3.4-1, the impact to special-status species would be reduced to a less-than-significant level.

- b) **Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?**

**No Impact.** The Project site does not contain riparian habitat or other sensitive natural communities. Therefore, there would be no impact on riparian habitat or sensitive natural communities.

- c) **Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?**

**No Impact.** No aquatic resources were observed within the Project site. A formal U.S. Army Corps of Engineers protocol-level wetland delineation was not conducted within the Project site, but no signatures of wetlands were present. The site is relatively flat with only one distinct depression. Lake Natoma was determined to be the only aquatic resource observed within the study area, and a search of the USFWS National Wetland Inventory did not reveal any other wetlands within the study area. Therefore, the Project would have no substantial adverse effect on state or federally protected wetlands, and there would be no impact.

- d) **Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?**

**Less than Significant.** The riparian area adjacent to the Project site within the study area is a corridor for animals moving along the river. Migrating species such as birds and Monarch butterflies have the potential to pass through the area. However, implementation of the Project would not have a direct impact on the movement of wildlife. While construction noise may temporarily deter movement through the riparian area adjacent to the American River, construction would be limited to daylight hours and wildlife would not be disturbed during the times they typically travel such as dawn, dusk, and night. Therefore, impacts would be less than significant, and no mitigation is required.

- e) **Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?**

**No Impact.** The Project does not conflict with local policies or ordinances protecting biological resources.

Specifically, the Project would be constructed in consistency with the requirements of the River District Master Plan which is currently being developed. The Project would also be consistent with the goals and policies outlined in the Folsom 2035 General Plan. For example, the Project would not conflict with Policies NCR 1.1.1: Habitat Preservation, NCR 1.1.2: Preserve Natural Resources, as well as NCR 1.1.8: Planting in New Development.

The Project has been designed to avoid sensitive habitats to the extent feasible. The Project could require the removal of a few interior, live oak trees that are currently within the Project site. However, pursuant to subsection 12.16.050(C)(11) of the Folsom Municipal Code, SMUD is exempt from the requirements of City's Tree Preservation Ordinance, as a public utility performing tree removal activities to maintain a safe operation of SMUD facilities. The Project would result in **no impact** due to a conflict with local policies or ordinances protecting biological resources.

- f) **Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?**

**No Impact.** The Project site is not located within the plan area of an adopted habitat conservation plan, natural community conservation plan or other applicable and approved habitat conservation plan. As a result, it would not conflict with the provisions of any such plan. Therefore, the Project would result in no impact, and no mitigation is required.

### 3.5 Cultural Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>V. Cultural Resources.</b>				
Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource pursuant to Section 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Disturb any human remains, including those interred outside of dedicated cemeteries?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This discussion of the environmental setting and project impacts of the Project to cultural resources is based on the Cultural Resources Assessment prepared by the Bargas Environmental Consulting, included as **Appendix C**. The Cultural Resources Assessment also references a prior site evaluation conducted by AECOM, on behalf of SMUD.

#### 3.5.1 Environmental Setting

In May 2023, AECOM contacted the North Central Information Center (NCIC) of the California Historical Resources Information System (CHRIS) located at California State University, Sacramento with a request for a records search. The purpose of this review was to determine whether any portion of the Project site has been surveyed for cultural resources and whether known archaeological or historic-era resources are documented in the immediate area. The NCIC provided the results of a record search dated June 2, 2023 and identified six (6) previously recorded resources within a quarter-mile radius of the Project site. Of these, two (2) resources were identified within and immediately adjacent to the Project site.

P-34-000206, is a pre-contact milling feature that was originally mapped on the western boundary of the Project site. However, documentation provides a location within the American River Canyon, which is now inundated by Lake Natoma.

P-34-000335 (CA-SAC-308H), is the historic-era Folsom Mining District, which represents the extensive placer mining activities that occurred in the area and includes thousands of linear feet of dredge tailings and other mining features covering thousands of acres in and around Folsom. Components of this district (P-34-002276 Loci C-1) are adjacent to the western edge of the Project site. The district has been

determined eligible for listing in the National Register of Historic Places (National Register) and is therefore considered a historical resource for CEQA purposes.

The Built Environment Resource Directory (BERD) was reviewed to identify any built environment resources within or in the vicinity of the Project site. Historic maps as well as historic aerial photographs were also reviewed to determine the extent of past land use within the Project site. No built environment resources were identified within 0.25-mile of the Project site.

Data on known cultural resources, literature on ethnographic villages, proximity to fresh water, and geologic sediment types were reviewed to assess the buried site sensitivity of the Project site. Soils within the Project site are comprised of non-marine sedimentary rock from the Pleistocene/Holocene Period. These older sediments, which predate pre-contact occupation of California, have a low potential for buried archaeological deposits. When considered with the paucity of pre-contact sites within 0.25 miles, lack of recorded ethnographic village sites, and the older age of the geologic sediments, the Project site has a relatively low potential for buried archaeological materials.

A qualified archaeologist conducted a pedestrian survey of the Project site on February 15, 2024. The survey consisted of north-to-south 15-meter transects across the Project site. Visible inspections of the ground surface were conducted to identify pre-contact and historic-period cultural material. Periodic boot scrapes were employed to increase ground surface visibility. No pre-contact material was identified during the pedestrian survey.

One historic-era resource was identified during the survey. This resource is an update to P-34-002276, a component of the Folsom Mining District. Within the Project site the updated resource consists of a small tailings pile and associated depression. The tailings pile measures 8 to 10 feet in diameter by 3 to 4 tall. The depression is roughly 25 feet southeast of the tailings pile and is roughly 20 feet in diameter and 6-feet-deep at the center. Cobbles are present along the base and edge of the depression. No diagnostic artifacts or other features consistent with historic-era placer mining were identified. Aerial photography shows that the entire lot was cleared in the 1980s, when Shore Court and the surrounding industrial/office buildings were constructed. The closest recorded component of the Folsom Mining District is P-34-002276 Loci C-1, which is just west and adjacent to the western border of the Project site.

### 3.5.2 Discussion

a) **Cause a substantial adverse change in the significance of a historical resource pursuant to Section 15064.5?**

**No Impact.** The cultural resources assessment identified one resource, an update to P-34-002276, within the Project site. This resource is a contributing element to P-34-000335, the Folsom Mining District, which has been determined eligible for listing in the National Register and is therefore considered a historical resource for CEQA purposes. However, based on the documented cultural constituents associated with the update to P-34-002276, destruction of this resource in the Project site would not cause a substantial adverse change in the overall significance to the Folsom Mining District. The Project would not materially alter in an adverse manner the overall physical characteristics of the Folsom Mining



District that account for its inclusion in the National Register or its identification as a historical resource. Therefore, based on this assessment, there would be no impacts to historical resources from implementation of the Project and no mitigation is required.

**b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?**

**Less than Significant with Mitigation Incorporated.** No pre-contact archaeological resources were identified within the Project site and the archaeological sensitivity assessment determined a relatively low potential to uncover buried archaeological resources in the Project site. While unlikely, there remains the possibility that archaeological resources could be found during ground disturbing activities associated with construction of the Project. Potential significant impacts to previously undiscovered archaeological resources would be avoided through implementation of Mitigation Measure 3.5-1.

**Mitigation Measure 3.5-1: Worker Environmental Awareness and Cultural Respect Training and Procedures for Inadvertent Discovery of Cultural Resources**

*Prior to excavation or other subsurface disturbance activities, individuals conducting the work will be required to participate in Worker Environmental Awareness and Cultural Respect Training. Workers will be advised to watch for cultural resource materials. If workers observe any evidence of pre-contact cultural resources (freshwater shells, beads, bone tool remnants or an assortment of bones, soil changes including subsurface ash lens or soil darker "midden" in color than surrounding soil, lithic materials such as flakes, tools or grinding rocks, etc.), or historic cultural resources (adobe foundations or walls, structures and remains with square nails, refuse deposits or bottle dumps, often associated with wells or old privies), all ground-disturbing activity within 100 feet of the discovery must immediately cease and a qualified archaeologist must be consulted to assess the significance of the cultural materials. SMUD will be notified of the potential find and a qualified archeologist shall be retained to investigate its significance. If the qualified archaeologist determines the archaeological material to be Native American in nature, Mitigation Measure 3.18-1 shall be implemented. If the find is determined to be significant by the archaeologist (i.e., because it is determined to constitute a unique archaeological resource), the archaeologist shall work with SMUD to develop and implement appropriate procedures to protect the integrity of the resource and ensure that no additional resources are affected. Procedures could include but would not necessarily be limited to preservation in place, archival research, subsurface testing, or contiguous block unit excavation and data recovery.*

**Significance after Mitigation**

Implementation of Mitigation Measure 3.5-1 would reduce potential impacts to archaeological resources discovered during Project construction activities to a less-than-significant level.

c) **Disturb any human remains, including those interred outside of formal cemeteries?**

**Less than Significant with Mitigation Incorporated.** There are no known past cemeteries or burials on the Project site or immediate area. While unlikely, because earthmoving activities associated with Project construction would occur, there is potential to encounter buried human remains or unknown cemeteries in areas with little or no previous disturbance. This impact would be potentially significant.

**Mitigation Measure 3.5-2: Procedures for Discovery of Human Remains**

*If human remains are discovered, all work within a 100 feet of the find must immediately cease, and the local coroner must be contacted. Procedures for the discovery of human remains will be followed in accordance with provisions of the State Health and Safety Code, Sections 7052 and 7050.5 and the State Public Resources Code Sections 5097.9 to 5097.99. If the Coroner determines that the remains are those of Native American origin, the Coroner shall contact the Native American Heritage Commission (NAHC) and subsequent procedures shall be followed, according to State Public Resources Code Sections 5097.9 to 5097.99, regarding notification of the Native American Most Likely Descendant. Following the coroner's and NAHC's findings, SMUD and the NAHC-designated Most Likely Descendant shall determine the ultimate treatment and disposition of the remains and take appropriate steps to ensure that additional human interments are not disturbed.*

**Significance after Mitigation**

Implementation of Mitigation Measure 3.5-2 would reduce potential impacts related to human remains to a less-than-significant level.

### 3.6 Energy

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>VI. Energy.</b>				
Would the project:				
a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### 3.6.1 Environmental Setting

California’s energy system includes electricity, natural gas, and petroleum fuels. According to the California Energy Commission (CEC), in 2022, California’s energy system generated 52 percent of the electricity, 48 percent of the natural gas, and less than one percent of the petroleum consumed or used in the state. The rest of the state’s energy is imported and includes electricity from the Pacific Northwest and the Southwest; natural gas purchases from Canada, Rocky Mountain states, and the southwest; and petroleum imported from Alaska and foreign sources (CEC, 2022a; 2022b; 2021a). The total amount of energy consumed in Sacramento County in 2022 from residential and non-residential sectors was 11,410 gigawatt-hours (GWh) (CEC, 2024).

SMUD is a community owned electricity utility that serves Sacramento County and adjoining parts of Placer and Yolo County. It provides a combination of mainly solar, wind, and hydroelectric power, with other renewables like biomass and geothermal power, and natural gas power (SMUD, 2022).

Gasoline is by far the largest transportation fuel by volume used in California. Nearly all the gasoline used in California is obtained through the retail market. In 2023, approximately 13.5 billion gallons of gasoline were sold in California’s retail market (California Department of Tax and Fee Administration [CDTFA], 2023a). Diesel fuel is the second largest transportation fuel by volume used in California behind gasoline. It is estimated that nearly 51 percent of all diesel sales are retail sales. In 2023, 3 billion gallons of diesel were sold in California (CDTFA, 2023b). According to the U.S. Department of Energy’s Energy Information Administration, nearly all semi-trucks, delivery vehicles, buses, trains, ships, boats and barges, farm, construction, and military vehicles and equipment have diesel engines.

Regular unleaded gasoline is used primarily to fuel passenger cars and small trucks. Diesel fuel is used primarily in large trucks and construction equipment. Both fuels are used widely within Sacramento

County. The CEC estimates that 535 million gallons of gasoline and approximately 51 million gallons of diesel were sold in 2022 in Sacramento County (CEC, 2023).

### 3.6.2 Discussion

- a) **Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?**

#### Construction Energy Use

**Less than Significant.** Construction of the Project would result in the consumption of energy in the form of transportation fuels (i.e., diesel and gasoline fuel) from a variety of sources, including off-road construction equipment and on-road workers, vendors, and hauling vehicles. The level of energy consumption would fluctuate depending on the type of construction activities underway during any particular time period. Energy use would be higher during the period of construction involving the initial site clearance, above earth-moving/grading, and building construction, where the largest and most powerful equipment would be required to excavate, lift, and transport large volumes of soil and building materials (such as concrete and asphalt) from the site. Gasoline and diesel fuel would be the primary energy source for vehicles driven by construction crews and to power the large trucks used to deliver and remove construction equipment and materials.

#### *Phase 1*

Based on the Project's estimated equipment use and construction duration for Phase 1, the construction of the Project is estimated to result in the consumption of a total of approximately 212,586 gallons of diesel fuel, and a total of approximately 6,194 gallons of gasoline during the construction period. Fuel use during Phase 1 construction would represent 0.42 percent of diesel and less than 0.01 percent of gasoline sold in Sacramento County in 2022. Therefore, fuel use during construction would be minimal in comparison to the overall usage within Sacramento County.

#### *Phase 2*

Based on the Project's estimated equipment use and construction duration for Phase 2, the construction of the Project is estimated to result in the consumption of a total of approximately 155,900 gallons of diesel fuel, and a total of approximately 3,449 gallons of gasoline during the construction period. Fuel use during Phase 2 construction would represent 0.31 percent of diesel and 0.001 percent of gasoline sold in Sacramento County in 2022. Therefore, fuel use during construction would be minimal in comparison to the overall usage within Sacramento County.

#### Operational Energy Use

**Less than Significant.** Project operations would require long-term consumption of energy in the form of electricity, natural gas, gasoline, and diesel fuel. The electricity, natural gas, and water usage that would be required for operation of the Project have been estimated based on specific building area estimates

and CalEEMod default factors. Mobile source fuel use associated with the operation of the Project was estimated based on vehicle miles travelled (VMT). The VMT data were used to estimate diesel fuel, and gasoline consumption volumes for the Project’s buildout conditions based on vehicle fleet-average fuel estimated using the EMFAC2021 emissions inventory model.

The annual energy use requirements estimated for full buildout operations of the Project are summarized in **Table 3.6-1** by energy use type. The energy use presented in **Table 3.6-1** does not discount the existing energy use associated with those land uses, and as such, the reported Project’s energy uses estimates are considered conservative.

**Table 3.6-1 Summary of Project Operational Energy Consumption (Annual)**

Energy Use Type	Energy Consumption: Phase 1 Operations	Energy Consumption: Phase 2 Operations	Full Buildout
<b>Electricity (MWh/year)</b>			
Total Electricity Generation/Use	1,257	610	1,867
Total Water Use	155	76	231
<b>Natural Gas (MMBtu/year)</b>			
Total Natural Gas Use	0	0	0
<b>Diesel (gallons/year)</b>			
Total Diesel Use	176	93	269
<b>Gasoline (gallons/year)</b>			
Total Gasoline Use	42,788	22,678	65,466
NOTES: Project energy consumption for building electricity, and building natural gas were estimated using CalEEMod® 2022.1.1.1. Abbreviations: MMBTU - million British Thermal Units; MWh - megawatt-hour SOURCE: ESA 2024.			

The anticipated operational energy consumption for electrical usage is approximately 2,098 MWh/year. This represents less than 0.0001 percent of the total 2022 Sacramento County electricity usage. Based on this comparison, the Project-related electricity consumption would not cause adverse effects on local and regional energy supplies nor require additional generation capacity. Fuels would also be utilized to maintain equipment during operation and would be used in vehicles related to employees’ travel. Project operation would generate vehicle trips associated with ongoing operation of the office building. These vehicle trips by SMUD employees would be essential to ensuring that the new office building is safe and functional. The building will not include any natural gas usage. Therefore, the Project would not result in an inefficient, wasteful, or unnecessary consumption of energy resources. This impact would be **less than significant**, and no mitigation is required.

**b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency**

**Less than Significant.** During construction of all the Project components, construction activities would comply with State and local requirements designed to minimize idling and associated emissions, which also minimizes fuel use. Construction equipment used would be subject to CARB's In-Use Off Road Diesel-Fueled Fleets regulation, which applies to certain off-road diesel engines, or equipment greater than 25 hp. The regulation (1) imposes limits on idling, requires a written idling policy, and requires a disclosure when selling vehicles; (2) requires that all vehicles be reported to CARB (using the Diesel Off-Road Online Reporting System) and labeled; (3) restricts the addition of older vehicles into fleets after January 1, 2014; and (4) requires that fleets reduce their emissions by retiring, replacing, or repowering older engines or installing Verified Diesel Emission Control Strategies (i.e., exhaust retrofits).

Construction activities would use fuel-efficient equipment and on-road vehicles consistent with federal and state regulations, such as the fuel efficiency regulations in CARB's Pavley Phase II standards for light-duty vehicles like worker commute and vendor vehicles; the anti-idling regulation in 13 CCR section 2485; and fuel requirements for stationary equipment in 17 CCR section 93115 (concerning the Airborne Toxic Control Measures). In accordance with 13 CCR sections 2485 and 2449, idling by commercial vehicles heavier than 10,000 pounds and off-road equipment greater than 25 hp would be limited to a maximum of five minutes. The intent of these regulations is to reduce construction emissions; however, compliance with the anti-idling and emissions reduction regulations would also result in fuel savings from the more efficient use of equipment.

Sacramento's 2030 General Plan Policy LU 8.1.5 requires new or renovated City-owned buildings to be energy efficient and meet, as appropriate, LEED (Leadership in Energy and Environmental Design) Silver or equivalent standard. The Project would be required to comply with the California Green Building Standards Code (CALGreen) and target LEED<sup>™</sup> certification rating of Silver or equivalent standard. Consistent with SMUD's 2030 Zero Carbon Plan, the Project's objectives contribute to SMUD's goals for ensuring electrical service reliability, provide safe and reliable electrical service to existing and proposed developments in the Folsom region, and minimize impacts to nearby sensitive receptors and sensitive natural communities.

All relevant provisions that are designed to conserve and reduce energy consumption would be implemented. Overall, energy use during construction and operation activities associated with the Project would not be considered, nor would any sources or activities conflict with or obstruct a state or local plan for renewable energy or energy efficiency. Therefore, this impact would be less than significant.

### 3.7 Geology and Soils

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>VII. Geology and Soils.</b>				
Would the project:				
a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to California Geological Survey Special Publication 42.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994, as updated), creating substantial direct or indirect risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### 3.7.1 Environmental Setting

A Geotechnical Engineering Report was prepared for the subject property by Wallace Kuhl & Associates in 2005 (see **Appendix D**). The following discussion is based primarily on this report.

The Project site is at an elevation of approximately 150 feet above mean sea level (msl) and is relatively flat to gently undulating with the exception of the mid-point of the western perimeter of the site. A circular depression approximately three to five feet deep is located on the western central portion of the site and is filled with mature oak trees and brush. Just west of the western perimeter of the site the surface slopes down at a 1:1 slope towards the American River. These site features are shown in **Figure 2-2**.

Surface material across the majority of the site consists of rounded cobbles and gravels. Site soils are a mixture of gravel and cobbles with varying percentages of sand and silt. According to Wallace Kuhl & Associates (2005), several test pits encountered gravel and cobbles with very little fine-grain soils (leveled tailings piles).

Dredging operations were performed at the site in the early to mid-1900's. These operations utilized large floating dredges to mine alluvial deposits for gold. Piles and ridges ("windrows") of gravel and cobbles were formed during the dredging operations and low areas between the piles and ridges were filled with sand, silt, and clay. Sand, silt and clay suspended in the water used to float the dredges gradually settled to the bottom of the ponds. The sand, being heaviest, settled out first and the clay settled last and generally came to rest on top of the sand and silt. The windrows and piles of cobbles are commonly referred to as dredge tailings and the silt and clay are referred to as "slickens" deposits.

The dredge tailings were leveled, and the low areas were filled during grading operations performed in the mid-1980's. Thick growths of trees and vegetation were removed and soils containing predominantly cobbles and boulders from the tailing deposits were placed and compacted in the low areas. The site was graded essentially level by about 1986, with only slight elevation differences.

### 3.7.2 Discussion

- a) **Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:**
  - i) **Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to California Geological Survey Special Publication 42.)**

**Less than Significant.** There are no Alquist-Priolo Earthquake Fault Zones within Sacramento County (DOC 2021). Based on the published geologic maps and aerial photographs reviewed by Wallace Kuhl & Associates (2005), no active or potentially active faults are known to underlie the Project area. Furthermore, Wallace Kuhl & Associates did not observe any surface evidence of faulting during their



site reconnaissance. Therefore, ground rupture at the site resulting from seismic activity is considered unlikely and this impact would be less than significant.

**ii) Strong seismic ground shaking?**

**Less than Significant.** The Project site is located in the Sacramento Valley, which has historically experienced a low level of seismic ground shaking. The California Geological Survey has identified the region as an area of low to moderately low earthquake shaking potential (CGS 2016).

Depending on the strength of groundshaking, it is possible that structures in the area could be damaged during such an event. However, the Project would be constructed in a manner consistent with California Building Code (CBC) Title 24, which identifies specific design requirements to reduce damage from strong seismic ground shaking, ground failure, landslides, soil erosion, and expansive soils. Therefore, this impact would be less than significant.

**iii) Seismic-related ground failure, including liquefaction?**

**Less than Significant.** Wallace Kuhl & Associates (2005) determined that based on the known geologic, seismologic, groundwater, and soils conditions of the Project site, the potential for liquefaction to occur beneath the site is very low. It was further determined that the potential for ground lurching, differential settlement, or lateral spreading occurring during or after seismic events near the site is also low, provided prudent geotechnical engineering recommendations are following during site preparation.

The Project would comply with CBC Title 24, which includes specific design requirements to reduce damage from ground failure. The Project would also be required to comply with the specific recommendations of the Geotechnical Engineering Report prepared for the Lake Forest Technical Center. Compliance with these requirements and recommendations would reduce this impact to a level that is less than significant.

**iv) Landslides?**

**Less than Significant.** The Project site is essentially flat and has been mass graded. The Project is anticipated to require excavation and removal of existing soil and import of backfill to re-establish grade within the site. Excavations would also be needed for building foundations and installation of infrastructure. According to Wallace Kuhl & Associates (2005), the native soils are readily excavatable with conventional methods and are not susceptible to caving or sloughing. However, where fill materials were encountered, caving and sloughing of test pit sidewalls was observed at depths greater than about five feet. As such, the Geotechnical Engineering Report recommends sloping of the sides of the building pad excavation if loose soils are encountered as well as sloping of all excavations deeper than five feet in accordance with OSHA regulations. Compliance with existing OSHA requirements and the recommendations of the Geotechnical Engineering Report prepared for the Lake Forest Technical Center would reduce this impact to a level that is less than significant.

**b) Result in substantial soil erosion or the loss of topsoil?**

**Less than Significant.** The Project site has been cleared and graded exposing soils to wind erosion and surface water runoff during storm events. Project construction would involve grading, excavating, trenching, and cut/fill within the Project site. Sediment from construction activities could be transported within stormwater runoff and could drain to Lake Natoma and degrade local water quality.

The Project would be subject to the National Pollutant Discharge Elimination System (NPDES) Statewide Construction General NPDES permit for stormwater runoff (Order No. 2022-0057-DWQ and NPDES No. CAS 000002 [Construction General Permit]) and would be required to implement a Stormwater Pollution Prevention Plan (SWPPP). The SWPPP would include Best Management Practices (BMPs) to be implemented and maintained on the site both during and post-construction to prevent erosion and protect water quality. Additionally, the Project must comply with the City's Grading Ordinance (Folsom Municipal Code 14.29) which requires submittal of an erosion and sediment control plan as part of the improvement plans. The City's stormwater inspector inspects construction projects for compliance with the City's stormwater regulations.

Furthermore, and as noted above, the Project would be constructed in accordance with CBC standards. These standards require that appropriate soil and geotechnical reports be prepared and that site-specific engineering design measures, including those related to general site grading, clearing and grubbing, soil stabilization, and general erosion control, be implemented to appropriately minimize potential adverse impacts related to erosion. This, coupled with preparation of a SWPPP and an Erosion and Sediment Control Plan, would minimize potential adverse impacts related to erosion and loss of topsoil at the Project site, resulting in a less than significant impact related to soil erosion or the loss of topsoil.

**c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?**

**Less than Significant.** As discussed previously, the site's geologic and soils conditions were analyzed as part of the Geotechnical Engineering Report prepared for the Project. Wallace Kuhl & Associates (2005) determined that site soils are adequate for development and that the potential for landslide and ground failure is very low with implementation of the recommended measures. Compliance with the recommended measures would be required as a condition of project approval of City entitlements, which are required for implementation of the Project. Therefore, this impact would be less than significant.

**d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994, as updated), creating substantial direct or indirect risks to life or property?**

**Less than Significant.** Expansive soils shrink and swell as a result of moisture change. These volume changes can result in damage over time to building foundations, underground utilities, and other subsurface facilities and infrastructure if they are not designed and constructed appropriately to resist

the damage associated with changing soil conditions. According to Wallace Kuhl & Associates (2005), most of the native soils are essentially granular, and are anticipated to have a low expansion potential. Special reinforcement of foundations and floor slabs, and special moisture conditioning during site grading to resist soil expansion pressures were determined not to be necessary. Therefore, this impact would be less than significant.

- e) **Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?**

**No Impact.** The Project would be served by the City's sewer system and would not require the use of septic tanks or alternative wastewater disposal systems. Therefore, there would be no impact.

- f) **Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?**

**Less than Significant.** The Project site has been heavily disturbed by past dredging operations and, more recently, mass grading of the site. Therefore, the potential to encounter intact paleontological resources during ground-disturbing activities would be low. Nonetheless, further ground-disturbing activities could result in uncovering currently unknown resources and cause a substantial change in the significance of an undiscovered unique paleontological resource or geologic feature.

To avoid impacts to paleontological resources, the Folsom General Plan provides Implementation Program NCR 8 (Management of Paleontological Resources), which requires the paleontological sensitivity of the geologic units affected by a discretionary project to be determined through literature review and records research. If a project area is determined to be sensitive for paleontological resources, conditions must be added to the project approval to monitor for and salvage paleontological resources during ground-disturbing activities.

According to geologic maps of the Project area (California State Parks 2004), the site overlies mine and dredge tailings originating from Quaternary sediments. Given the disturbed nature of mine and dredge tailings the sensitivity of the site for paleontological resources is considered low. The University of California Museum of Paleontology's (UCMP; 2024) records of paleontological localities show that fossil remains have been found at 13 localities in Sacramento County. Most of these localities are underlain by Mariposa and Riverbank geologic formations which are not found near the Project site. Based on these findings, the Project site is not considered sensitive for paleontological resources and no project conditions are required to avoid impacts. Therefore, this impact would be less than significant.

### 3.8 Greenhouse Gas Emissions

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>VIII. Greenhouse Gas Emissions.</b>				
Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### 3.8.1 Environmental Setting

Greenhouse gases (GHGs) trap heat by preventing some of the solar radiation that hits the earth from being reflected back into space. Some GHGs occur naturally and are needed to keep the earth’s surface habitable. Over the past 100 years, human activity has substantially increased the concentration of GHGs in our atmosphere. This has intensified the greenhouse effect, increased average global temperatures, and resulted in climate change.

Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O) are the principal GHGs of concern. CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O occur naturally and through human activity. Emissions of CO<sub>2</sub> are largely by-products of fossil fuel combustion, CH<sub>4</sub> results from off-gassing associated with agricultural practices and landfills, and N<sub>2</sub>O is emitted during agricultural, land use, and industrial activities.

CO<sub>2</sub> is the reference gas for climate change because it is the predominant GHG emitted. The effect that each of the gases can have on global warming is a combination of the mass of their emissions and their global warming potential (GWP). GWP indicates, on a pound-for-pound basis, how much a gas contributes to global warming relative to how much warming would be predicted to be caused by the same mass of CO<sub>2</sub>. CH<sub>4</sub> and N<sub>2</sub>O are substantially more potent GHGs than CO<sub>2</sub>, with 100-year GWPs of 25 and 298 times that of CO<sub>2</sub>, respectively (IPCC 2007). In emissions inventories, GHG emissions are typically reported in metric tons of CO<sub>2</sub> equivalents (MTCO<sub>2</sub>e). CO<sub>2</sub>e is calculated as the product of the mass emitted of a given GHG and its specific GWP. While CH<sub>4</sub> and N<sub>2</sub>O have much higher GWPs than CO<sub>2</sub>, CO<sub>2</sub> is emitted in such vastly greater quantities that it accounts for the majority of GHG emissions in CO<sub>2</sub>e.

The state of California is leading the nation in setting goals and regulating GHG reduction. The most notable of these is Assembly Bill (AB) 32 – California Global Warming Solutions Act of 2006 (AB 32),

which requires that ARB adopt a quantified cap on GHG emissions representing 1990 emissions levels, disclose how it arrives at the cap, institute a schedule to meet the emissions cap, and develop tracking, reporting, and enforcement mechanisms to ensure that the state achieves reductions in GHG emissions necessary to meet the cap.

The Legislature enacted AB 1279 on September 16, 2022. AB 1279 establishes the policy of the State to achieve net zero greenhouse gas emissions, carbon neutrality, as soon as possible, but no later than 2045 and achieve and maintain net negative greenhouse gas emissions thereafter. Additionally, AB 1279 ensures that by 2045 Statewide anthropogenic greenhouse gas emissions are reduced at least 85 percent below 1990 levels. SB 1279 also requires the California Air Resources Board (CARB) to ensure that the Scoping Plan identifies and recommends measures to achieve carbon neutrality, and to identify and implement policies and strategies for carbon dioxide removal solutions and carbon capture, utilization, and storage technologies.

The 2022 Scoping Plan, adopted by CARB in December 2022, expands on prior Scoping Plans and responds to AB 1279 by outlining a technologically feasible, cost-effective, and equity-focused path to achieve the state's climate target of reducing anthropogenic emissions to 85 percent below 1990 levels and achieving carbon neutrality by 2045 or earlier (CARB 2022). The 2022 Scoping Plan outlines the strategies the state will implement to achieve carbon neutrality by reducing GHGs to meet the anthropogenic target and by expanding actions to capture and store carbon through the state's natural and working lands and using a variety of mechanical approaches.

Sacramento Metropolitan Air Quality Management District (SMAQMD) is the primary agency responsible for addressing air quality concerns in Sacramento County and has established quantitative significance thresholds for evaluating GHG emissions. The SMAQMD guidance establishes a threshold of 1,100 MTCO<sub>2e</sub> per year from construction. For operational emissions, the SMAQMD takes a tiered qualitative approach such that projects that implement applicable Best Management Practices (BMPs) demonstrate consistency with the Climate Change Scoping Plan and would have a less than significant impact (SMAQMD 2020).

### 3.8.2 Discussion

- a) **Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?**

**Less than Significant.** GHG emissions from construction activities were estimated using the California Emissions Estimator Model (CalEEMod) (version 2022.1.1) with the same assumptions as discussed in Section 3.3, *Air Quality*. **Table 3.8-1** and **Table 3.8-2** present the maximum annual construction GHG emissions for the Project. It is estimated that the maximum annual concentration will be 1,023 MTCO<sub>2e</sub> in Phase 1 (year 2026) and 1,061 MTCO<sub>2e</sub> in Phase 2 (year 2028). This is less than the SMAQMD threshold of 1,100 MTCO<sub>2e</sub> per year; therefore, construction of the Project would not result in a significant impact.

**Table 3.8-1. Phase 1 Annual Construction GHG Emissions (MTCO<sub>2</sub>e per Year)**

Construction Year	Project Construction GHG Emissions	Exceeds Threshold of 1,100 MTCO <sub>2</sub> e?
2025	433	No
2026	1023	No
2027	784	No

**Table 3.8-2. Phase 2 Annual Construction GHG Emissions (MTCO<sub>2</sub>e per Year)**

Construction Year	Project Construction GHG Emissions	Exceeds Threshold of 1,100 MTCO <sub>2</sub> e?
2027	159	No
2028	1061	No
2029	409	No

**Table 3.8-3** presents the annual GHG emission for the Project. GHG emissions during operations would primarily occur from mobile source emission by employee vehicle trips to the operational office building. GHG emissions would also be generated from the electricity used to treat, pump and deliver water and wastewater generated by the staff, as well as from disposal of solid waste generated. The Project would not utilize natural gas and would therefore not generate direct natural gas GHG emissions from building energy use. It is estimated that the Project’s operational activities would result in the generation of approximately 817 MTCO<sub>2</sub>e in Phase 1 operations and 393 MTCO<sub>2</sub>e in Phase 2 operations, combined for a total of 1,073 MTCO<sub>2</sub>e per year once fully operational. Per SMAQMD thresholds, the Project would be required to implement tier 1 BMPs (BMP 1 & 2).

- BMP 1 - projects shall be designed and constructed without natural gas infrastructure.
- BMP 2 - projects shall meet the current CalGreen Tier 2 standards, except all electric vehicle capable spaces shall instead be electric vehicle ready.

**Table 3.8-3. Annual Operational GHG Emissions (MTCO<sub>2</sub>e per Year)**

Source	Phase 1 Operation	Phase 2 Operation	Full Operation MT CO <sub>2</sub> e per year
Mobile	450	228	678
Area	1.05	0.54	1.59
Energy	214	104	318
Water	9.76	5.06	14.82
Waste	14.5	7.69	22.19
Refrigerant	0.02	0.01	0.03
Stationary	38.2	-	38.2
<b>Total Project Emissions</b>	<b>817</b>	<b>392</b>	<b>1,073</b>
<b>SMAQMD Threshold</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>
<b>Significant?</b>	<b>No</b>	<b>No</b>	<b>No</b>
NOTES: The GHG total emissions may not add up due to rounding.  SOURCE: ESA 2024			

Based on the above, the construction and operational GHG emissions in all years and phases of the Project would not exceed the applicable thresholds of significance, resulting in a less than significant impact.

**b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?**

**Less than Significant.** The applicable plans adopted for the purpose of reducing GHG emissions is CARB’s 2022 Scoping Plan Update (2022 Update). The 2022 Update does not contain any actions or measures that address GHG emissions from construction, as the majority of typical land use development project GHG emissions come from the operational phase and therefore most plans target reducing operational GHG emissions. Any electrical power required during construction will be supplied from Sacramento Municipal Utility District (SMUD), which is required to comply with SB 100 and the Renewable Portfolio Standards (RPS). SB 100 requires that the proportion of electricity from renewable sources be 60 percent by 2030 and 100 percent renewable power by 2045. The goals in the SMUD Zero Carbon Plan align with SB 100 energy requirements.

Additionally, the Project would be required to implement the SMAQMD's identified Basic Construction Emissions Control Practices (BCECPs), which are considered by the SMAQMD to be the applicable construction BMPs. The Project would be required to implement the SMAQMD's tier 1 BMPs (BMP 1 & 2), as described in the section above, which are considered as the required operational BMPs.

The Project would be consistent with 2022 Update, SMAQMD BMPs, and would not obstruct the goals in the SMUD 2030 Zero Carbon Plan. As a result, the Project would not conflict with any applicable GHG reduction plans and impacts would be less than significant.



### 3.9 Hazards and Hazardous Materials

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>IX. Hazards and Hazardous Materials.</b>				
Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and/or accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### 3.9.1 Environmental Setting

A Phase I Environmental Site Assessment (Phase I ESA) was prepared for the Project on August 17, 2023, to assess the existing environmental conditions of the Project site with respect to hazardous conditions

and substances (Brown and Caldwell, 2023; see **Appendix E**). According to the Phase I ESA, there are no permanent structures on the site and no hazardous materials or visual signs of contamination were noted during the site inspection. Brown and Caldwell (2023) did not identify any Recognized Environmental Conditions (RECs)<sup>3</sup> and concluded that no further investigation of the site is warranted.

### 3.9.2 Discussion

- a) **Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?**
- b) **Create a significant hazard to the public or the environment through reasonably foreseeable upset and/or accident conditions involving the release of hazardous materials into the environment?**

**Less than Significant.** Construction activities would involve the temporary use of hazardous materials, such as fuels, solvents, lubricants, asphalt, and oil on the Project site. The use and storage of these materials could potentially expose and adversely affect workers, the public, or the environment as a result of improper handling or use, accident, environmentally unsound disposal methods, fire, explosion, flooding, wildfire or other emergencies, resulting in adverse health or environmental effects.

The California Highway Patrol and Caltrans are responsible for enforcing regulations related to the transportation of hazardous materials on local roadways, and the use of these materials is regulated by the California Department of Toxic Substances Control (DTSC), as outlined in CCR Title 22. SMUD and its construction contractors would be required to comply with the California Environmental Protection Agency's (Cal EPA's) Unified Program, which protects Californians from hazardous waste and hazardous materials by ensuring consistency throughout the state regarding the implementation of administrative requirements, permits, inspections, and enforcement at the local regulatory level. Regulated activities would be managed in accordance with the regulations included in the Unified Program by the Sacramento County Environmental Management Department, which is the designated Certified Unified Program Agency (CUPA) for Sacramento County and its incorporated cities, including Folsom. These regulations include, but are not limited to, hazardous materials release response plans and inventories and California Uniform Fire Code hazardous materials management plans and inventories. Compliance with these existing regulations under the authority of the Sacramento County Environmental Management Department would reduce the potential for accidental release of hazardous materials during project construction.

During operation, the Project would require the storage of diesel fuel to power the proposed onsite backup generators. It is anticipated that fuel storage for the generators would total approximately 1,300 gallons within two 650-gallon storage tanks. Sacramento County requires businesses handling or storing

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<sup>3</sup> Recognized Environmental Conditions (RECs) as defined in ASTM 1527-13 means the presence or likely presence of any hazardous substances or petroleum products on a property that indicates an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products, both unauthorized and permitted, into the ground, groundwater, or surface water of the property

hazardous substances in volumes greater than 55 gallons to prepare a Hazardous Materials Business Plan (HMBP) including an emergency response plan and obtain a permit. The Sacramento County Environmental Management Department would provide oversight including inspections and hazardous materials incident response to ensure public safety. Project operation would also involve the routine use of common hazardous substances used for cleaning, building maintenance, landscaping, and vehicle use. These materials, if present, would be in small quantities and would be used, stored, and disposed of in accordance with product labeling and applicable regulations. Compliance with these existing regulations would ensure that this impact would be less than significant.

**c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?**

**No Impact.** The Project site is within an existing business park. There are no schools or similar uses within one-quarter mile. Furthermore, the Project would not involve any activities that would emit hazardous emissions or handle hazardous or acutely hazardous materials. Therefore, there would be no impact.

**d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code §65962.5 and, as a result, would it create a significant hazard to the public or the environment?**

**Less than Significant.** Government Code Section 65962.5 requires that DTSC compile and maintain a list of hazardous waste facilities subject to corrective action, land designated as hazardous waste property, or hazardous waste disposals on public land. This list is known as the Cortese List and can be accessed on Cal EPA's website. As part of the Phase I ESA completed for the Project site, a search of federal and State databases containing known and suspected sites of environmental contamination was completed by Environmental Data Resources, Inc. (EDR). No such sites were identified on or adjacent to the Project site. The EDR search did reveal multiple sites within the radius search required by the American Society for Testing and Materials (ASTM) standard practice (see Appendix E for a complete list). Due to distance from the Project site, current cleanup status, or the nature of the contamination, Brown and Caldwell (2023) Bole & Associates (2019) determined that none of these sites are considered RECs and would not affect development of the Project site as proposed.

In addition, the Phase I ESA found no record of previous site uses which may have involved hazardous substances and no signs of potential contamination on the site such as the presence of storage tanks or containers, old buildings, pits, ponds, or lagoons, solid waste dumping, stained soils, or stressed vegetation. Based on their findings, Brown and Caldwell (2023) Bole & Associates (2019) concluded that no further investigations are warranted. Therefore, this impact would be less than significant.

- e) **For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?**

**No Impact.** Airports closest to the Project site include Sacramento Mather Airport (8.5 miles southwest); Cameron Airpark (11 miles east); and Sacramento McClellan Airport (11 miles west). The Project site is not within an airport land use plan or within two miles of a public airport or public use airport, or within the vicinity of a private air strip. Therefore, implementation of the Project as proposed would not result in an aviation-related safety hazard for people residing or working in the Project area. Therefore, there would be no impact.

- f) **Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?**

**Less than Significant.** Project construction may temporarily generate truck trips on Folsom Boulevard and require temporary lane closures on Woodmere Road/Blue Ravine Road as materials and equipment are transported to the site. These traffic obstructions could interfere with or slow emergency vehicles, temporarily increasing response times and impeding existing services on these roadways. However, any Project activities that may involve public right of way would be required to obtain an encroachment permit from either Caltrans or the City of Folsom. As part of this encroachment permit application, SMUD would be required to prepare and submit a traffic control plan providing measures to ensure maintenance of emergency access during construction (City of Folsom 2023). Project operations would be similar to the adjacent office uses and would not interfere with emergency response or evacuation plans. Therefore, this impact would be less than significant.

- g) **Expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?**

**Less than Significant Impact.** The Project is in an urban area generally surrounded by existing development and separated from open space areas by Lake Natoma on the west and US 50 on the south. The trail corridor just west of the site as well as the Willow Creek Recreation Area just to the south contain trees and vegetation but are separated from larger open space areas and the area is routinely maintained by the State. Development of the site and operation of the proposed facility would not expose people or structures to significant risk involving wildland fires. Therefore, this impact would be less than significant.

### 3.10 Hydrology and Water Quality

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>X. Hydrology and Water Quality.</b>				
Would the project:				
a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:				
i) Result in substantial on- or offsite erosion or siltation;	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii) Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv) Impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### 3.10.1 Environmental Setting

#### Surface Water

The Project site is within the Willow Creek Watershed, which drains to Willow Creek and ultimately Lake Natoma. The Project site does not contain any surface water features and has been previously graded.

#### Groundwater

The Project site is within the Sacramento River Hydrologic Basin, as defined by the California Department of Water Resources (DWR). Wallace Kuhl & Associates (2005) reviewed the Spring 2003 *Groundwater Elevations* map prepared by the Sacramento County Department of Public Works, Water Resources Division and determined that regional groundwater flow is predicted to be southwesterly. It was further determined that groundwater beneath the Project area is at an elevation of approximately 110 feet above msl, or roughly 40 feet below the ground surface of the site.

#### Stormwater Drainage

As described previously, the Project site is relatively flat to gently undulating apart from a circular depression approximately three to five feet deep located in the site's west-central portion that is filled with mature oak trees and brush. Just west of the site's western boundary the surface slopes down at a 1:1 slope.

As described in greater detail in Section 3.19, Utilities and Service Systems, drainage infrastructure runs through the site from the property to the north to Shore Court within an existing access easement.

#### Flooding Hazards

According to the Federal Emergency Management Agency (FEMA; 2024), the Project site is in an area of 0.2 percent chance of flooding (Zone X 500-year floodplain). **Figure 3.10-1** illustrates the FEMA flood hazard zones on and around the Project site.

### 3.10.2 Discussion

- a) **Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?**

**Less than Significant.** The City of Folsom has a Phase I National Pollutant Discharge Elimination System (NPDES) permit and is part of the Sacramento Stormwater Quality Partnership (SSQP). The City of Folsom is regulated by Order No. R5-2002-0206 NPDES No. CAS082597, "Waste Discharge Requirements for County of Sacramento and the Cities Citrus Heights, Elk Grove, Folsom, Galt and Sacramento Storm Water Discharges From Municipal Separate Storm Sewer Systems Sacramento County" issued by the Central Valley Regional Water Quality Control Board (CVRWQCB).

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<b>SPECIAL FLOOD HAZARD AREAS</b>		Without Base Flood Elevation (BFE) <i>Zone A, V, A99</i>
		With BFE or Depth <i>Zone AE, AO, AH, VE, AR</i>
		Regulatory Floodway
<b>OTHER AREAS OF FLOOD HAZARD</b>		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile <i>Zone X</i>
		Future Conditions 1% Annual Chance Flood Hazard <i>Zone X</i>
		Area with Reduced Flood Risk due to Levee. See Notes. <i>Zone X</i>
		Area with Flood Risk due to Levee <i>Zone D</i>
<b>OTHER AREAS</b>		NO SCREEN Area of Minimal Flood Hazard <i>Zone X</i>
		Effective LOMRs
		Area of Undetermined Flood Hazard <i>Zone D</i>
<b>GENERAL STRUCTURES</b>		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
<b>OTHER FEATURES</b>		20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
		17.5 Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
<b>MAP PANELS</b>		Digital Data Available
		No Digital Data Available
		Unmapped
		The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 7/18/2024 at 7:17 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

SOURCE: FEMA

SMUD Folsom Office Building Project

**Figure 3.10-1**  
FEMA Flood Designation Map



The City of Folsom participates in the County-wide Sacramento Stormwater Quality Improvement Program (SQIP), which was established in 1990 to reduce the pollution carried by stormwater into local creeks and rivers. The SQIP is based on the NPDES municipal stormwater discharge permit. The comprehensive SQIP includes pollution reduction activities for construction sites, industrial sites, illegal discharges and illicit connections, new development, and municipal operations.

Stormwater runoff generated during both construction and operation of the Project could degrade water quality by increasing sedimentation and by increasing the volume and flow rate of runoff. Site preparation would involve excavations and fill to raise the building pad, trenching for the relocation and installation of utilities, and further grading to create building pads and appropriate slopes for drainage. During these early stages of construction, the potential exists for wind and water erosion to discharge sediment and/or pollutants into stormwater runoff. Once constructed, runoff flowing across the site could carry pollutants such as oils and grease from vehicles and pesticides and fertilizers used in landscaping into the public storm drainage system. The discharge of sediment and pollutants into stormwater runoff could adversely affect the water quality in the Project area. However, the SWRCB adopted statewide general NPDES permits for stormwater discharge associated with construction and operation that requires implementation of Best Management Practices (BMPs) to protect water quality.

The Project would be required to implement all applicable goals, policies, and BMPs set forth by the above programs. BMPs to be implemented during Project construction would likely include, but are not limited to, installation of storm drain inlet protection, stabilization of construction exits, and proper maintenance of material stockpiles. BMPs to be implemented during Project operation would include the diversion of stormwater through water quality swales and routine inspection and maintenance of onsite BMPs.

The Project's compliance with the requirements of the CVRWQCB, the SQIP, and the City of Folsom's Stormwater Quality Program would ensure that neither construction nor operation of the Project results in degradation of downstream water quality or an increase in erosion. The Project would not violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality. Therefore, this impact would be less than significant.

**b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?**

**Less than Significant.** Water would be supplied to the Project site by the City of Folsom exclusively from the Folsom Lake reservoir which is supplied by the south fork of the American River. Thus, the Project would have no potential to directly decrease groundwater supplies. According to the City's 2020 Urban Water Management Plan (UWMP; City of Folsom 2021), the City overlies two subbasins: the North American Subbasin and the South American Subbasin, which are part of the Sacramento Valley Groundwater Basin. The site was previously cleared and graded, and soils have become compacted prohibiting significant groundwater recharge from occurring. Thus, development of the site would not be expected to further impede groundwater recharge. Conversely, the proposed drainage plan would divert drainage to a swale and landscaped areas to treat drainage and allow for percolation into the soil,



thereby contributing to groundwater recharge. Furthermore, the Project site is designated for urban development and the loss of groundwater infiltration due to its development was addressed in the City of Folsom's General Plan PEIR. This impact would be less than significant.

**c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:**

**i) Result in substantial on- or offsite erosion or siltation;**

**Less than Significant.** See Section 3.7, Geology and Soils, Response (b) and Section 3.10, Hydrology and Water Quality, Response (a). The Project has been previously graded in preparation for development and is essentially flat. However, construction would disturb and expose site soils to erosion and sediment could be transported in stormwater runoff degrading local water quality. As discussed previously, the Project would be subject to multiple layers of regulations intended to protect water quality during and post construction including the NPDES statewide permits requiring implementation of a SWPPP, the City's Grading Ordinance requiring implementation of an erosion and sediment control plan, and the CBC standards related to erosion and sediment control. Compliance with these existing regulations would minimize potential adverse impacts related to erosion or siltation at the Project site. Therefore, this impact would be less than significant.

**ii) Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site;**

**Less than Significant.** See Section 3.10, Hydrology and Water Quality, Response (a). Development of the Project site with the proposed building, tower, paved parking areas, and other impervious surfaces would increase the volume and flow rate of surface runoff on the site. Conformance with City of Folsom Municipal Code Sections 14.29.321 and 14.29.322 would include preparation of a drainage plan. The drainage plan would describe the existing and proposed site contours and surface water flow patterns on the site, proposed building and road elevations, and existing and proposed drainage channels. The drainage plan would demonstrate that the proposed drainage facilities would not result in stormwater runoff that could cause flooding, ponding, soil erosion, sediment production, or sediment pollution. Implementation of the proposed drainage and landscaping plans would ensure that site runoff would not result in flooding on- or off-site. Therefore, this impact would be less than significant.

**iii) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or**

**Less than Significant.** As described previously, the Project would prepare a drainage plan as part of conformance with City of Folsom Municipal code. In accordance with City of Folsom Municipal Code Section 14.29.322, the Project's drainage facilities must not result in stormwater runoff that could cause flooding or ponding. The Project proposes to direct stormwater runoff to a drainage swale and other landscaped areas of the site which would reduce the volume and flow rate of runoff prior to discharge to

the City's stormwater drainage system. Compliance with existing City regulations would reduce this impact to a level that is less than significant.

**iv) Impede or redirect flood flows?**

**Less than Significant.** The Project site is in an area of minimal flood risk (FEMA 2024) that is designated for urban development in local land use plans and surrounded by similar development. Construction activities and staging would only occur onsite and would be halted during storm event to protect water quality. Therefore, construction equipment and activities would not impede runoff in public roadways or drain inlets during a storm events. Once construction is completed, the proposed building would be raised out of the 500-year floodplain and floodwaters would flow unimpeded through the proposed parking areas and surrounding roadways. This impact would be less than significant.

**d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?**

**Less than Significant.** Tsunamis are defined as sea waves created by undersea fault movement, whereas a seiche is a long-wavelength, large-scale wave action set up in a closed body of water, such as a lake or reservoir. The Project site is not located in proximity to a coastline and would not be at risk of flooding from a tsunami. The Project site is located adjacent to Lake Natoma; however, the Project area historically has been subject to minimal seismic activity and the lake has a relatively small surface area. Furthermore, the Project would not require the use or storage of substantial quantities of hazardous substances which could be released in the event of site inundation. The risk of inundation from a seiche is minimal and does not represent a significant project impact.

**e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?**

**Less than Significant.** See Response (a) above. The Project would avoid and/or minimize its effects on water quality through its compliance with the requirements of the CVRWQCB, the SQIP, and the City of Folsom's Stormwater Quality Program. Neither construction nor operation of the Project would result in the degradation of local water quality. Therefore, the Project would not conflict with or obstruct implementation of a water quality control plan. See Response (b) above. The Project would not directly or indirectly decrease groundwater levels or otherwise conflict with a sustainable groundwater management plan. Therefore, this impact would be less than significant.

### 3.11 Land Use and Planning

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>XI. Land Use and Planning.</b>				
Would the project:				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### 3.11.1 Environmental Setting

The Project site is located within the incorporated City of Folsom and is identified as APN 069-0240-031. The site lies west of Folsom Boulevard, south of the Lake Forest Industrial Park, east of Lake Natoma and the American River, and north of the Willow Creek Recreation Area. The unincorporated community of Orangevale is located further to the west, across Lake Natoma. The site is vacant and has been previously mass graded. Land uses immediately surrounding the Project site include existing office and industrial uses to the north, south, and east and open space/recreation to the west.

The *Folsom General Plan 2035* (adopted 2018; amended 2021) designates the site as “Industrial/Office Park (IND).” This designation provides for office, research and development, wholesale, light industrial and similar uses with a floor area ratio (FAR) of 0.2 to 1.2.

The City’s zoning regulations are contained in Title 17, *Zoning*, of the City’s Municipal Code. The City has zoned the site as “M-1 (Light Industrial)” with a “PD (Planned Development)” combining district. The M-1 zoning district allows for all uses permitted within the C-3 (Heavy Commercial) zoning district which allows for all commercial uses but is intended for the highest-intensity commercial uses. The PD combining district is intended to allow greater flexibility in the design of integrated developments and to encourage the creative and efficient use of land.

The site is part of the established Lake Forest Technical Center business park for which the *Lake Forest Technical Center Development Standards* were adopted by the City in 1981 (Ordinance No. 425). The development standards are intended to provide for the development of a visually attractive, well-maintained and functional industrial park consistent with the character of Folsom and to mitigate and/or avoid potential impacts of such development to the unique and sensitive open space lands along Lake Natoma and Willow Creek.

The Project site is adjacent to Lake Natoma and land that is within the American River Parkway (Parkway). The Parkway is an open space greenbelt that extends from Folsom Dam approximately 29 miles southwest to the American River's confluence with the Sacramento River. The Parkway crosses multiple jurisdictional boundaries and includes portions of unincorporated Sacramento County, the cities of Sacramento and Rancho Cordova, and the Lake Natoma portion of the Folsom Lake State Recreational Area. The American River Parkway Plan (Sacramento County 2008) provides guidance for land use decisions affecting the Parkway and specifically addresses the preservation, use, development, and administration of the Parkway. The plan was most recently updated in 2008.

### 3.11.2 Discussion

#### a) Physically divide an established community?

**No Impact.** The Project site is located within a developed business park in an urban area of the city. While the site is within an established community, the Project proposes a use that is consistent with adjacent uses and with local land use plans. The Project does not propose any new roadways or other linear barriers to the movement of people through the area. There would be no impact.

#### b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?

**Less than Significant.** As described in greater detail in the following discussion, if the Project and the entitlements it requests are approved, the Project would be consistent with all applicable local land use plans, policies, and regulations and this impact would be less than significant.

#### Folsom General Plan 2035

As discussed below, the Project would be consistent with the goals and policies of the Folsom General Plan 2035 adopted for the purpose of avoiding or mitigating an environmental effect:

- Land Use Element: Office and similar uses, such as the Project, are allowable uses within the Industrial/Office Park (IND) land use designation. The proposed facility would have a 75,000-square-foot building footprint on an approximately 218,236 square-foot parcel which equates to an FAR of 0.33. This is consistent with the allowable density/intensity range of FAR 0.2 to 1.2 for the IND land use designation. The Project would also be consistent with the more restrictive 50 percent maximum lot coverage (FAR 0.5) imposed by the Lake Forest Technical Center Development Standards (see further discussion of the Project's consistency with these standards below).
- Mobility Element: The Project does not propose any improvements to the existing roadways or bicycle/pedestrian facilities along Woodmere Road and would be consistent with the City's Pedestrian Master Plan (Policy M 2.1.1) and Bikeway Master Plan (Policy M 2.1.5).

- **Natural and Cultural Resources Element:** The Project would be consistent with the City's policies to protect natural and cultural resources by proposing to shield and direct outdoor lighting downward to avoid impacts to views, the night sky, and wildlife within the adjacent open space corridor (Policies NCR 1.1.7 and NCR 2.1.3). In addition, the Project proposes landscaping throughout the site to reduce the heat island effect consistent with Policy NCR 1.1.8. The Project would protect scenic views by complying with the City's development standards related to building form, materials, and colors and through the use of landscaping as screening (Policies NCR 2.1.1 and 2.1.2) (see also Section 3.1, Aesthetics). As discussed further in Section 3.10, Hydrology and Water Quality, the Project would avoid and minimize effects on water quality consistent with the policies under Goal NCR 4.1 through the implementation of BMPs during construction and operation.
- **Public Facilities and Services Element:** The Project would be served by existing utility systems with sufficient capacities and would not increase demand for public services consistent with the City's Public Facilities and Services goals and policies (see Section 3.15, Public Services, and Section 3.19, Utilities and Service Systems). Project landscaping would meet the requirements of the City's Water Efficient Landscape Ordinance (Policy PFS 3.1.3). Furthermore, the Project proposes an onsite drainage system with adequate capacity to serve the site consistent with the policies under Goal PFS 5.1.
- **Safety and Noise Element:** As discussed in Section 3.9, Hazards and Hazardous Materials, the Project would not impede emergency operations and would be consistent with the City's Emergency Operations Plan (Policy SN 1.1.1) and Multi-Hazard Mitigation Plan. As discussed in Section 3.7, Geology and Soils, the Project site is on dredge tailings and would conform to the guidelines and regulations of the California Geological Survey.

#### Folsom Zoning Code and Lake Forest Technical Center Development Standards

The M-1 (Light Industrial) zoning designation allows for business and professional office uses by right and conditionally allows for new telecommunications towers. As the site is also zoned PD (Planned Development), the conditional approval of the proposed telecommunications tower would be approved through a Use Permit from the City. The Project site is also subject to the development standards adopted for the Lake Forest Technical Center including a maximum building height of 40 feet. The PD combining district allows for variances from the regulations of the underlying zone relating to height, setback, lot area and coverage, and parking. The proposed site design would conform to the M-1 zoning regulations and Lake Forest Development Standards related to setbacks, building coverage, building exteriors, landscaping and screening, fencing, and signs. However, the proposed 100-foot telecommunications tower would exceed the height limit and require a variance, which would be approved through a Planned Development Permit. The Project would undergo concurrent design review by the City to determine Project consistency with applicable standards. Thus, approval of the Planned Development Permit and Conditional Use Permit would ensure Project consistency with the City's zoning regulations.

American River Parkway Plan

The Project is adjacent to Lake Natoma and a narrow corridor of public open space that is managed under the American River Parkway Plan. Project activities would be limited to the Project site and would not encroach on the Parkway during construction or operation. The Project would not conflict with implementation of the American River Parkway Plan.

### 3.12 Mineral Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>XII. Mineral Resources.</b>				
Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### 3.12.1 Environmental Setting

The Project is located in the northeastern portion of Sacramento County. Principal mineral resources in Sacramento County include construction aggregates (sand and gravel) and natural gas. Natural gas production areas are located in the southwestern extent of the county and aggregate deposits are located south of the American River (Sacramento County 1993). There are no mineral resource extractions activities near the Project site.

Under the State Mining and Reclamation Act, areas containing economically significant mineral deposits are classified and mapped. The Project site is not classified as an area that is likely to contain substantial mineral deposits (DOC 2018).

#### 3.12.2 Discussion

- a) **Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?**

**Less than Significant Impact.** The Project site is classified as MRZ-2 indicating a high likelihood for the occurrence of significant aggregate deposits. However, as discussed above, MRZ classifications are determined without regard to existing land use. The site is within an established business park that has been almost entirely developed. Thus, even if mineral resources are present, the Project area has been committed to urban uses and is not available for mineral resource development. Furthermore, the City has zoned the site for development indicating that any potential mineral resources in the area are not of significant value to the region or its residents. Therefore, this impact would be less than significant.

- b) **Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?**

**No Impact.** The Project site and surrounding area are not designated as a locally important mineral resource recovery site (City of Folsom 2018). Therefore, there would be no impact.



### 3.13 Noise

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>XIII. Noise.</b>				
Would the project result in:				
a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or in other applicable local, state, or federal standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### 3.13.1 Environmental Setting

Sound is mechanical energy transmitted by pressure waves through a medium such as air. Noise can be defined as unwanted sound. Sound is characterized by various parameters that include the rate of oscillation of sound waves (frequency), the speed of propagation, and the pressure level or energy content (amplitude). In particular, the sound pressure level has become the most common descriptor used to characterize the loudness of an ambient sound level. Sound pressure level is measured in decibels (dB), with 0 dB corresponding roughly to the threshold of human hearing, and 120 to 140 dB corresponding to the threshold of pain.

The typical human ear is not equally sensitive to all frequencies of the audible sound spectrum. As a consequence, when assessing potential noise impacts, sound is measured using an electronic filter that de-emphasizes the frequencies in a manner corresponding to the human ear’s decreased sensitivity to low and extremely high frequencies instead focusing on the frequency mid-range. This method of frequency weighting is referred to as A weighting and is expressed in units of A weighted decibels (dBA). All sound pressure levels and sound power levels reported below are A-weighted.

### *Noise Exposure and Ambient Noise*

An individual's noise exposure is a measure of the noise experienced by the individual over a period of time. A noise level is a measure of noise at a given instant in time. However, noise levels rarely persist consistently over a long period of time. In fact, noise varies continuously with time with respect to the contributing sources in the noise environment. Noise is primarily the product of many distant noise sources, which constitute a relatively stable background noise exposure, with the individual contributors unidentifiable. Background noise levels change throughout a typical day, but do so gradually, corresponding with the addition and subtraction of distant noise sources and atmospheric conditions. The addition of short duration single event noise sources (e.g., aircraft flyovers, motor vehicles, sirens) makes noise constantly variable throughout a day.

These successive additions of sound to the noise environment vary the noise level from instant to instant, requiring the measurement of noise exposure over a period of time to legitimately characterize a noise environment and evaluate noise impacts. This time-varying characteristic of environmental noise is described using statistical noise descriptors. Different noise descriptors used to characterize environmental noise are summarized below:

- $L_{eq}$ : The equivalent sound level is used to describe noise over a specified period of time, in terms of a single numerical value. The  $L_{eq}$  is the constant sound level which would contain the same acoustic energy as the varying sound level, during the same time period (i.e., the average noise exposure level for the given time period).
- $L_{dn}$ : The energy average of the A-weighted sound levels occurring during a 24-hour period, and which accounts for the greater sensitivity of most people to nighttime noise by weighting noise levels at night ("penalizing" nighttime noises). Noise between 10 p.m. and seven a.m. is weighted (penalized) by adding 10 dBA to take into account the greater annoyance of nighttime noises.  $L_{dn}$  is also referred to as DNL.
- $L_{max}$ : The instantaneous maximum noise level measured during the measurement period of interest.

### *Effects of Noise on People*

The effects of noise on people can be placed into three categories:

- subjective effects of annoyance, nuisance, dissatisfaction;
- interference with activities such as speech, sleep, learning; and
- physiological effects such as hearing loss or sudden startling.

Environmental noise typically produces effects in the first two categories. Workers at industrial plants often experience noise in the last category. There is no completely satisfactory way to measure the subjective effects of noise, or the corresponding reactions of annoyance and dissatisfaction. A wide

variation exists in the individual thresholds of annoyance, and different tolerances to noise tend to develop based on an individual's past experiences with noise.

Thus, an important way of predicting a human reaction to a new noise environment is the way the new noise compares to the existing noise levels that one has adapted to, which is referred to as the "ambient noise" level. In general, the more a new noise exceeds the previously existing ambient noise level, the less acceptable the new noise will be judged by those hearing it. With regard to increases in A weighted noise level, the following relationships occur:

- Except in carefully controlled laboratory experiments, a change of 1 dBA cannot be perceived;
- Outside of the laboratory, a 3-dBA change is considered a just-perceivable difference when the change in noise is perceived but does not cause a human response;
- A change in level of at least 5 dBA is required before any noticeable change in human response would be expected; and
- A 10-dBA change is subjectively heard as approximately a doubling in loudness, and can cause an adverse response.

These relationships occur in part because of the logarithmic nature of sound and the decibel system. The human ear perceives sound in a non-linear fashion; hence, the decibel scale was developed. Because the decibel scale is based on logarithms, two noise sources do not combine in a simple additive fashion, rather they combine logarithmically. For example, if two identical noise sources produce noise levels of 50 dBA, the combined sound level would be 53 dBA, not 100 dBA. However, where ambient noise levels are high in comparison to a new noise source, there will be a small change in noise levels. For example, when 70 dBA ambient noise levels are combined with a 60 dBA noise sources, the resulting noise level equals 70.4 dBA.

### *Vibration*

Vibration is an oscillatory motion through a solid medium in which the motion's amplitude can be described in terms of displacement, velocity, or acceleration. There are several different methods that are used to quantify vibration. The peak particle velocity (PPV) is defined as the maximum instantaneous peak of the vibration signal and is typically expressed in units of inches per second (in/sec). The PPV is most frequently used to describe vibration impacts on buildings. The root mean square (RMS) amplitude is most frequently used to describe the effect of vibration on the human body. The RMS amplitude is defined as the average of the squared amplitude of the signal. Decibel notation (VdB) is commonly used to measure RMS. The decibel notation acts to compress the range of numbers required to describe vibration (FTA, 2018). Typically, ground-borne vibration generated by man-made activities attenuates rapidly with distance from the source of the vibration.

Some common sources of ground-borne vibration are trains, heavy trucks traveling on rough roads, and construction activities such as blasting, pile driving, and operation of heavy earth-moving equipment.

The effects of ground-borne vibration include movement of the building floors, rattling of windows, shaking of items on shelves or hanging on walls, and rumbling sounds. In extreme cases, vibration can cause damage to buildings. Building damage is not a factor for most projects, with the occasional exception of blasting and pile-driving during construction. In residential areas, the background vibration velocity level is usually around 50 VdB (approximately 0.0013 in/sec PPV).

*Sensitive Receptors*

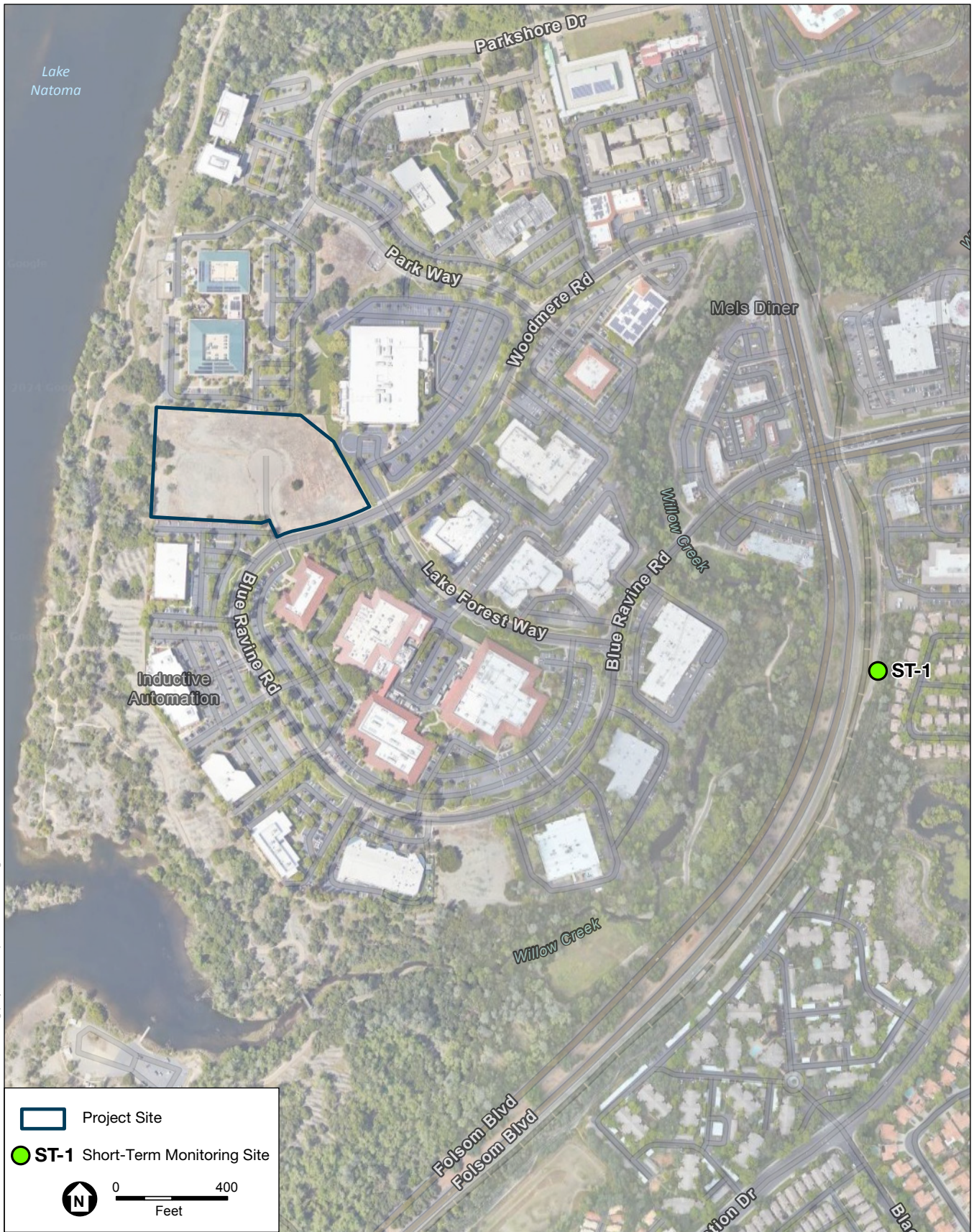
Human response to noise varies considerably from one individual to another. Effects of noise at various levels can include interference with sleep, concentration, and communication, and can cause stress and hearing loss. Given these effects, some land uses are considered more sensitive to ambient noise levels than others. In general, residences, schools, hotels, hospitals, and nursing homes are considered to be the most sensitive to noise. Places such as churches, libraries, and cemeteries, where people tend to pray, study, and/or contemplate are also sensitive to noise. Commercial and industrial uses are considered the least noise-sensitive.

The Project is in a suburban area. Sensitive receptors in the vicinity include single-family residences located on Coventry Circle approximately 1,940 feet to the southeast of the Project site.

To quantify the ambient noise levels in the vicinity of the Project, a noise measurement survey was conducted on March 7, 2024, near sensitive land uses that could be impacted by noise generated by the Project. The noise measurement was conducted using calibrated Larson Davis 831 noise meter. The noise measurement survey consisted of two 15-minute short-term (ST) noise measurements. Noise measurement results and location are shown in **Table 3.13-1** and **Figure 3.13-1**, respectively.

**Table 3.13-1. Short-Term Noise Measurement Data**

Measurement Location	Measurement Location Description	Major Noise Sources	Start Time	Noise Level (dBA) Leq
ST-1	Behind residences on Coventry Circle, east of Folsom Boulevard	Distant traffic on Folsom Boulevard	11:14 a.m.	60.7
Notes: ST=short-term Source: ESA 2024.				



SOURCE: ESRI, 2023; Sacramento County, 2023; ESA, 2024

SMUD Folsom Office Building Project

**Figure 3-4**  
Noise Monitoring Location

### 3.12.3 Regulatory Setting

Federal, state, and local agencies regulate different aspects of environmental noise. Federal and state agencies generally set noise standards for mobile sources such as aircraft and motor vehicles, while regulation of stationary sources is left to local agencies. Local regulation of noise involves implementation of general plan policies and noise ordinance standards. Local general plans tend to identify general principles intended to guide and influence development plans; local ordinances establish standards and procedures for addressing specific noise sources and activities.

#### *Federal*

##### Truck Operations

Federal regulations establish noise limits for medium and heavy trucks (more than 4.5 tons, gross vehicle weight rating) under 40 Code of Federal Regulations, Part 205, Subpart B. The federal truck pass-by noise standard is 80 dBA at 15 meters (approximately 50 feet) from the vehicle pathway centerline. These regulatory controls are implemented on truck manufacturers.

##### Vibration

The FTA has adopted vibration standards that are used to evaluate potential building damage impacts related to construction activities. The vibration damage criteria adopted by the FTA are shown in **Table 3.13-2**.

**Table 3.13-2. Construction Vibration Damage Criteria**

Building Category	PPV (in/sec)
I. Reinforced-concrete, steel, or timber (no plaster)	0.5
II. Engineered concrete and masonry (no plaster)	0.3
III. Non-engineered timber and masonry buildings	0.2
IV. Buildings extremely susceptible to vibration damage	0.12

Source: FTA, 2018.

#### *State*

##### Vehicle Operations

The State of California establishes noise limits for vehicles licensed to operate on public roads. The pass-by standard for heavy trucks is consistent with the federal limit of 80 dBA. The pass-by standard for light trucks and passenger cars (less than 4.5 tons, gross vehicle rating) is also 80 dBA at 15 meters from the centerline. These standards are implemented through controls on vehicle manufacturers and by legal sanctions on vehicle operators by State and local law enforcement officials.

Vibration

The California Department of Transportation (Caltrans) has developed guidance on addressing vibration issues associated with construction, operation, and maintenance of transportation projects (Caltrans, 2013a). **Table 3.13-3** shows the Caltrans criteria for human response to transient vibration.

**Table 3.13-3. Human Response to Transient Vibration**

Human Response	PPV (inches/second)
Severe	2.0
Strongly Perceptible	0.9
Distinctly Perceptible	0.24
Barely Perceptible	0.035
Source: Caltrans, 2013.	

*Local*

City of Folsom General Plan 2035

Noise is addressed in the City of Folsom General Plan within the Safety and Noise Element (City of Folsom, 2018). The following goals and policies from the General Plan, relevant to noise and vibration are applicable to the Project.

**Goal: Protect the citizens of Folsom from the harmful effects of exposure to excessive noise and to protect the economic base of Folsom by preventing the encroachment of incompatible land uses within areas affected by existing noise-producing uses.**

**Policy 6.1.1: Noise Mitigation Strategies Ensure.** Develop, maintain, and implement strategies to abate and avoid excessive noise exposure in the city by requiring that effective noise mitigation measures be incorporated into the design of new noise-generating and new noise-sensitive land uses.

**Policy 6.1.2: Noise Mitigation Measures.** Require effective noise mitigation for new development of residential or other noise sensitive land uses to reduce noise levels as follows:

1. For noise due to traffic on public roadways, railroad line operations, and aircraft: achieve compliance with the performance standards within Table SN-1 (see **Table 3.13-4**).
2. For non-transportation-related noise sources: achieve compliance with the performance standards contained within Table SN-2 (see **Table 3.13-5**).

3. If compliance with the adopted standards and policies of the Safety and Noise Element will not be achieved even with feasible mitigation measures, a statement of overriding considerations for the Project must be provided.

**Table 3.13-4. (Table SN-1) Noise Compatibility Standards**

Exterior Noise Level Standard for Outdoor Activity Areas <sup>a</sup>	Major Noise Sources	Interior Noise Level Standard	
	Ldn/CNEL, dB	Ldn/CNEL, dB	Leq, dBb <sup>b</sup>
Residential (Low Density Residential, Duplex, Mobile Homes)	60 <sup>c</sup>	45	N/A
Residential (Multi-Family)	65 <sup>d</sup>	45	N/A
Transient Lodging (Motels/Hotels)	65	45	N/A
Mixed-Use Developments	70	45	N/A
Schools, Libraries, Churches, Hospitals, Nursing Homes, Museums	70	45	N/A
Theaters, Auditoriums	70	N/A	35
Playgrounds, Neighborhood Parks	70	N/A	N/A
Golf Courses, Riding Stables, Water Recreation, Cemeteries	75	N/A	N/A
Office Buildings, Business Commercial and Profession	70	N/A	45
Industrial, Manufacturing, and Utilities	75	N/A	45

Notes: Where a proposed use is not specifically listed on this table, the use shall comply with the noise exposure standards for the nearest similar use as determined by the Community Development Department.

a) Outdoor activity areas for residential developments are considered to be the back yard patios or decks of single-family residential units, and the patios or common areas where people generally congregate for multifamily development. Outdoor activity areas for nonresidential developments are considered to be those common areas where people generally congregate, including outdoor seating areas. Where the location of outdoor activity areas is unknown, the exterior noise standard shall be applied to the property line of the receiving land use. 9-12 Adopted August 28, 2018; Amended August 24, 2021

b) As determined for a typical worst-case hour during periods of use.

c) Where it is not possible to reduce noise in outdoor activity areas to 60 dB, Ldn/CNEL or less using a practical application of the best-available noise reduction measures, an exterior level of up to 65 dB, Ldn/CNEL may be allowed provided that available exterior noise level reduction measures have been implemented and interior noise levels are in compliance with this table.

d) Where it is not possible to reduce noise in outdoor activity areas to 65 dB, Ldn/CNEL or less using a practical application of the best-available noise reduction measures, an exterior level of up to 70 dB, Ldn/CNEL may be allowed provided that available exterior noise level reduction measures have been implemented and interior noise levels are in compliance with this table.

Source: City of Folsom General Plan 2035



**Table 3.13-5. (Table SN-2) Noise Level Standards from Stationary Sources**

Noise Level Descriptor	Daytime (7:00 A.M. to 10:00 P.M.)	Nighttime (10:00 P.M. to 7:00 A.M.)
Hourly Leq, dB	55	45
Maximum level, dB	70	65
Notes: Noise levels are measured at the property line of the noise-sensitive use. Source: City of Folsom General Plan 2035		

**Policy 6.1.3: Acoustical Analysis.** Require an Acoustical Analysis prior to approval of proposed development of residential or other noise-sensitive land uses in a noise-impacted area.

**Policy 6.1.7:** If noise barriers are required to achieve the noise level standards contained within this Element, the City shall encourage the use of these standards:

1. Noise barriers exceeding six feet in height relative to the roadway should incorporate an earth berm so that the total height of the solid portion of the barrier (such as masonry or concrete) does not exceed six feet.
2. The total height of a noise barrier above roadway elevation should normally be limited to 12 feet.
3. The noise barriers should be designed so that their appearance is consistent with other noise barriers in the Project vicinity.

**Policy 6.1.8: Vibration Standards.** Require construction projects and new development anticipated to generate a significant amount of vibration to ensure acceptable interior vibration levels at nearby noise-sensitive uses based on Federal Transit Administration criteria as shown in Table SN-3 (Groundborne Vibration Impact Criteria for General Assessment).

City of Folsom Municipal Code

Section 8.42.040 of the City of Folsom Municipal Code established exterior noise level standards for sensitive receptors. As shown in **Table 3.13-6**, the City’s daytime noise standards are from the hours of 7 a.m. to 10 p.m., and the nighttime noise standards are from the hours of 10 p.m. to 7 a.m. The ordinance further states that if the measured ambient noise level exceeds the applicable noise level standard, then the measured ambient noise level becomes the new standard. Also, Section 8.42.060 states that construction activities are prohibited between the hours of 6 p.m. and 6 a.m. on weekdays, and between the hours of 5p.m. and 8 a.m. on weekends.

**Table 3.13-6. (Table 8.42.040) Exterior Noise Level Standards, dBA**

Noise Level Category	Cumulative Number of minutes in any 1-hour time period	dBA Daytime (7 a.m. to 10 p.m.)	dBA Nighttime (10 p.m. to 7 a.m.)
1	30	50	45
2	15	55	50
3	5	60	55
4	1	65	60
5	0	70	65

Source: City of Folsom Municipal Code Section 8.42.040

**3.13.2 Discussion**

- a) **Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or in other applicable local, state, or federal standards?**

Construction-Related Noise

**Less than Significant.** The proposed Project would generate noise primarily during construction as discussed below.

Construction of the proposed Project would take place over a period of 17 months from April 2024 to July 2025. Construction activities associated with the proposed Project are detailed in Section 2 of the Project Description.

Construction would involve use of equipment that could generate substantial noise at and adjacent to construction areas. Noise impacts from construction would depend on the type of activity being undertaken and the distance to the receptor location. Construction noise impacts are most severe if construction activities take place during noise-sensitive hours (early morning, evening, or nighttime hours), in areas immediately adjoining noise-sensitive land uses, and/or when construction duration lasts over extended periods of time.

**Table 3.13-7** shows typical noise levels produced by the types of construction equipment that are expected to be used for Project construction.

Construction of the Project would occur within the City’s construction exempt hours. The nearest off-site sensitive land use to the Project are residences located approximately 1,940 feet southeast from the Project site.

**Table 3.13-7. Typical Noise Levels From Construction Equipment**

Human Response	PPV (inches/second)	
Dump Truck	84	80/40%
Air Compressor	80	76/40%
Concrete Mixer (Truck)	85	81/40%
Scraper	85	81/40%
Jack Hammer	85	78/20%
Dozer	85	81/40%
Paver	85	82/50%
Generator	82	79/50%
Backhoe	80	76/40%

Source: Federal Highway Administration (FHWA), Roadway Construction Noise Model User's Guide, 2018

Noise from construction activities generally attenuates at a rate of 6 to 7.5 dBA for every doubling of distance (Caltrans, 2013a). Assuming an attenuation rate of 7.5 dBA per doubling of distance and two of the loudest pieces of construction equipment (i.e., Loaders, Tractors) operating at the same time, the nearest sensitive land uses located 2,390 feet from the center of the proposed Project site would be exposed to a noise level of approximately 48 dBA  $L_{eq}$ . However, because construction would occur during the exempt daytime hours, construction of the Project would not generate of a substantial temporary increase in ambient noise levels in the vicinity of the Project in excess of standards established in the local general plan or noise ordinance. This impact would be considered less than significant.

Operational Noise

**Less than Significant.** The Project would generate operational noise from activities associated with the proposed commercial activities in the Project vicinity.

Commercial uses proposed as part of the Project would generate operational noise from Heating, Ventilation and Air Conditioning (HVAC) units, and backup generators. However, this noise would be minimal and would not be audible to the nearest receptors, the residents located to the southeast of the Project site.

*HVAC Noise*

HVAC units can generate noise levels of approximately 51 dBA  $L_{eq}$  at a reference distance of 100 feet from the operating units during maximum heating or air conditioning operations. HVAC units are typically housed in equipment rooms or in exterior enclosures on the building's rooftop. The nearest proposed sensitive land use is located approximately 2,230 feet southeast of Phase 2 building where operational HVAC noise levels would be 24 dBA,  $L_{eq}$ . Therefore, the nearest sensitive land use would not

be exposed to noise generated by the onsite HVAC equipment that would exceed the City's nighttime noise standard of 45 dBA. Therefore, the impact from HVAC operations would be less than significant.

#### *Backup Generator Noise*

Regular maintenance operation testing of the Project building emergency standby generators would occur for approximately one hour per week (50 hours annually). These emergency generators are proposed to be located adjacent to the west of the Phase 1 buildings' ground floor.

A recent acoustical study for an emergency generator modeled noise from such a facility to be 82 dBA at 23 feet (ESA, 2023). The emergency generator noise from the Project was conservatively modeled assuming operation of the Project emergency generator unit located closest to the nearest off-site sensitive residential receptors and conservatively did not account for noise reduction that would be afforded by their enclosures. Modeled noise levels from operation of this generator are predicted to be 41 dBA at the nearest residential receptor at approximately 2,660 feet. As shown in Table 3.13-1, the existing ambient noise levels at the nearest receptor is 61 dBA. Given the substantial distance of the nearest residential receptors from the Project site buildings, the contribution of emergency generator noise would not exceed the daytime 61 dBA threshold and would, therefore, be less than significant.

#### **b) Generation of excessive groundborne vibration or groundborne noise levels?**

##### Construction

**Less than Significant.** Operation of the Project would not include any activities that would generate significant levels of vibration. Therefore, it is not anticipated that Project operation would expose the nearest sensitive receptors or structures to vibration levels that would result in annoyance. For this reason, the following analysis of the Project's vibration impacts evaluates only the effects of on-site construction activities.

Construction activity can result in varying degrees of ground-borne vibration, depending on the type of soil, equipment, and methods employed. Operation of construction equipment can cause ground vibrations that spread through the ground and diminish in strength with distance. Buildings on the soil near the construction site respond to these vibrations with varying results, ranging from no perceptible effects at the lowest levels, low rumbling sounds and perceptible vibrations at moderate levels, and slight damage at the highest levels. While ground vibrations from construction activities do not often reach the levels that can damage structures, fragile buildings must receive special consideration.

There are no structures of historical significance in the vicinity of the proposed Project alignment that would be impacted by the proposed Project. The nearest structures are commercial buildings located from the south, east, and north of the Project site and both are approximately 80 feet from the Project boundary. Therefore, the analysis below uses a vibration threshold of 0.5 in/sec which is consistent with the FTA's construction vibration criteria for buildings of modern, conventional construction and the Caltrans-identified vibration level that could generate a distinctly perceptible human response to assess impacts.

Construction vibration may generate perceptible vibration when impact equipment (i.e., jack hammer, drill rig) or heavy earth moving equipment (i.e., front end loader, roller compactor, excavator) are used.

Based on groundborne vibration levels for standard types of construction equipment provided by the FTA, other than pile driving equipment, the use of a vibratory roller would be expected to generate the highest vibration levels. Vibratory rollers typically generate vibration levels of 0.210 in/sec PPV at a distance of 25 feet (FTA, 2018). Even if such equipment operated as close as 25 feet from existing adjacent structures to the south and east of the Project site, vibration levels would be less than the 0.5 in/sec PPV threshold. In addition, the operation of each piece of construction equipment at the Project site would not be constant throughout the day, equipment would be operating at different locations within the Project site and would not always be operating concurrently. Consequently, vibration levels during the majority of the construction period at the nearest receptors would be much lower. Project construction would be restricted to the hours of the day consistent with the City of Folsom Municipal Code and reduce nuisance impacts from both construction noise and vibration by prohibiting such activity during sensitive time periods. Therefore, the Project would have a less-than-significant impact with regard to ground-borne vibration during construction.

#### Operation

**No Impact.** Once operational, the Project would not include any sources of vibration. Therefore, there would be no impact.

- c) **For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?**

**No Impact.** The nearest airfield to the Project area is the Sacramento Mather Airport located approximately 8 miles to the southwest of the Project site. The 60 CNEL noise contour for airport operations is well over 3.5 miles from the Project site (Sacramento County, 1998). As a result, development allowed under the Project would not expose people residing or working in the area to excessive noise levels from aircraft, and no impact would occur.

### 3.14 Population and Housing

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>XIV. Population and Housing.</b>				
Would the project:				
a) Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### 3.14.1 Environmental Setting

As of January 1, 2023, the City of Folsom had a population of 85,498 residents living in 32,083 households for an average household size of 2.67 (DOF 2023). The Project site is currently vacant and does not provide housing for any residents.

#### 3.14.2 Discussion

- a) **Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?**

**Less than Significant Impact.** The Project involves the development of a new SMUD facility that would be staffed primarily by workers relocated from an existing SMUD facility elsewhere in the Sacramento region. While some new workers would be added, the Project site is zoned for development with an office or commercial use which would be expected to create substantially more new employment opportunities. Furthermore, the Project site is within an established business park and would not extend any roads or infrastructure to previously unserved areas. Therefore, the Project would directly or indirectly induce population growth. Therefore, this impact would be less than significant.

- b) **Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?**

**No Impact.** No persons or homes would be displaced as a result of Project implementation. Therefore, there would be no impact.

### 3.15 Public Services

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>XV. Public Services.</b>				
Would the project:				
a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, or the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:				
Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### 3.15.1 Environmental Setting

The Project site is in the City of Folsom and is served by City of Folsom and Sacramento County public services (law enforcement, fire protection, schools, parks, and libraries).

##### *Fire Protection Services*

Fire Protection Services are provided to the Project area by the City of Folsom Fire Department (FFD). The Fire Department is a full-service fire department, providing emergency medical, fire suppression, water and technical rescue, hazardous materials response, fire prevention, and public education to the community. Calls for FFD service in 2023 totaled 9,527. The fire station closest to the Project site is Station 35, located at 535 Glen Drive, about 1.6 miles to the northeast (FFD 2024).

##### *Law Enforcement Services*

Law enforcement services in the Project area are provided by the City of Folsom Police Department (FPD). The Folsom Police Station is located at 46 Natoma Street about 2.5 miles northeast of the Project

site. According to the Police Department's 2022 Annual Report, the Department has 28 officers supervised by five corporals and six sergeants as well as one community service officer and two cadets. The Department answered 38,305 calls for service in 2022 (FPD 2022).

#### *Schools*

The Project site is within the Folsom Cordova Unified School District (FCUSD). The FCUSD operates 21 elementary schools, four middle schools, and three high schools with a total student enrollment of about 21,000 (FCUSD 2024). The nearest public school to the site is the Natoma Station Elementary School, approximately 0.6 miles to the east.

#### *Parks and Recreational Facilities*

See Section 3.16, Recreation, for a discussion of parks and recreational facilities.

### **3.15.2 Discussion**

- a) **Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, or the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:**

#### Fire Protection

**Less than Significant.** Implementation of the Project would not significantly increase demand for fire protection services because the Project would not generate new residents, which is the driving factor for fire protection services. As discussed in Section 3.14, Population and Housing, the Project is a new use on the site but would be staffed by employees relocated from SMUD's existing facility. Furthermore, the Project proposes construction of a standard office building that would comply with the City's development standards and would not require special equipment for fire suppression or generate higher than anticipated calls for service. The Project would not result in the need for new or expanded Fire Department facilities. Therefore, this impact would be less than significant.

#### Police Protection

**Less than Significant Impact.** Implementation of the Project would not significantly increase demand for law enforcement services because the Project would not generate new residents or create a use that exhibits higher than normal calls for law enforcement services. The Project would not result in the need for new or expanded Police Department facilities. Therefore, this impact would be less than significant.

#### Schools

**Less than Significant Impact.** The Project would not provide any new housing that would generate new student enrollments at public schools. As discussed in Section 3.14, Population and Housing, the Project is a new use on the site but would be staffed by employees relocated from SMUD's existing facility.



Regardless, the Project would be required to pay development impact fees to the Folsom Cordova Unified School District to mitigate any potential increase in demand for public school facilities. Therefore, this impact would be less than significant.

#### Parks

**Less than Significant Impact.** The Project would not directly or indirectly induce unplanned population growth in the Project area. The Project would not increase the use of existing parks or recreational facilities necessitating new or expanded facilities. Therefore, this impact would be less than significant.

#### Other Public Facilities

**No Impact.** As described previously, the Project would not induce substantial population growth in the Project area and would have no impact on other public facilities such as the Sacramento County Library System. Therefore, there would be no impact.

### 3.16 Recreation

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>XVI. Recreation.</b>				
Would the project:				
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### 3.16.1 Environmental Setting

The Project site is in the City of Folsom within an area of abundant recreational facilities primarily associated with Lake Natoma, which lies immediately to the west. The lake and adjacent Jedidiah Smith Memorial Trail are part of the American River Parkway and the Folsom Lake State Recreation Area. Just south of the Lake Forest Technical Center, where Willow Creek drains into Lake Natoma, is the Willow Creek Recreation Area and boat launch. West of the site and Lake Natoma is the Mississippi Bar area with an extensive system of hiking, biking, and equestrian trails. The nearest developed park is the Natoma Station Neighborhood Park and Ernie Sheldon Youth Sports Park about one half mile east of the Project site on Natoma Station Drive.

#### 3.16.2 Discussion

- a) **Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?**

**No Impact.** As discussed in Section 3.14, Population and Housing, the Project would not directly or indirectly induce unplanned population growth in the Project area. The Project would not have the potential to significantly increase the use of existing parks or recreational facilities in the area. Therefore, there would be no impact.

- b) **Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?**

**No Impact.** The Project would not include or require the construction or expansion of any recreational facilities. Therefore, no impact would occur.

### 3.17 Transportation

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>XVII. Transportation.</b>				
Would the project:				
a) Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict or be inconsistent with CEQA Guidelines Section 15064.3, subdivision (b)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### 3.17.1 Environmental Setting

The Project site is approximately 0.9 miles north of Highway 50 and approximately 0.3 miles west of Folsom Boulevard, a four-lane, two-way major arterial roadway. The Project site can currently be accessed through Shore Court off Woodmere Road, which is a minor collector roadway that becomes Blue Ravine Road southwest of the Project site. Woodmere Road intersects Folsom Boulevard perpendicularly as it continues to the east.

Bicycle facilities include routes along Jedediah Smith Memorial Trail immediately west of the site as well as Willow Creek Trail to the southeast continuing north. Additionally, Folsom Boulevard contains a designated bike lane along the east of the site.

The Sacramento Regional Transit Gold Line Train runs along Folsom Boulevard, with the nearest stops at Glenn Station approximately 0.7 miles northeast of the site, and at Iron Point Station approximately 0.6 miles south.

Pedestrian access to the site is provided via sidewalks along Blue Ravine Road/Woodmere Road. Additional pedestrian facilities exist along Jedediah Smith Memorial Trail to the west, Parkshore Drive to the northeast, as well as Lake Forest Way to the southeast.

### 3.17.2 Discussion

a) **Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?**

**No Impact.** The Project would not conflict with plans and policies related to the circulation system. The Project would not modify existing roadways, transit facilities, pedestrian or bicycle facilities. There would be no roadway improvements along roadways within the Project vicinity such as Woodmere Road or Folsom Boulevard. The Project would not create new housing or otherwise increase demand for transportation facilities beyond what is already planned by local agencies. There would therefore be a no impact related to a conflict with program, plan, ordinance or policy addressing the circulation system.

b) **Conflict or be inconsistent with CEQA Guidelines Section 15064.3(b), which pertains to vehicle miles travelled?**

**Less than Significant.** The Project would not create a significant increase in VMT. It would not add capacity to existing roadways nor would it create new housing or businesses that stimulate regional VMT.

Temporary construction activities would result in temporary increases in vehicle trips associated with worker commutes and equipment and materials delivery. Construction activities are estimated to require an average daily worker population of approximately 50 workers, with up to approximately 70 workers during peak construction activities.

Operational vehicle trips can be characterized through use of the SACOG Work VMT per Job map. To support SB 743 implementation, SACOG developed a screening map specific to employment using outputs from the 2016 base year model run of the SACSIM travel demand model for the 2020 MTP/SCS. SACOG's Work VMT per Job map uses "HEX" geography, wherein average work VMT per job is calculated for each HEX by tallying all work VMTs generated by both internal and external workers traveling to the HEX to work and dividing by the total number of jobs in that HEX. SACOG has made updates to this map since 2020, as data has been updated.

The Project is an employment-generating project and the Work VMT per Job map is thus applicable. Based on the most current map, the Project would be located between two HEXs. The HEX encompassing the northern half of the site generates approximately 81.0% of the regional average work VMT per job. The HEX encompassing the southern half of the site generates approximately 88.2% of the regional average work VMT per job. Because both HEXs cover approximately equal portions of the Project site, it is reasonable to conclude that the Project would generate approximately 84.6% of the regional average work VMT per job, or an average of the two HEXs. This value correlates to an average work VMT per job of 18.02.

SACOG's HEX maps show that the workplace VMT per job for the Project would fall below the 85% threshold used to typically identify a significant VMT impact, as described in the OPR Technical Advisory on Evaluating Transportation Impacts in CEQA (2018). Because work VMT would be less than the recommended threshold of significance, the impact would be less than significant, and no mitigation is required.

**c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?**

**Less Than Significant.** The Project proposes to add an additional access driveway along the eastern edge of the site. The Project is not a public facility and there is no public ingress or egress. Neither the temporary increase in truck traffic onto the Project site during construction, nor the ongoing intermittent use of the new proposed access driveways would have a significant impact on the circulation system or roadway safety. The Project does not involve substantial changes in road geometry or incompatible uses. Therefore, the impact is less than significant, and no mitigation is required.

**d) Result in inadequate emergency access?**

**Less than Significant.** As previously described, primary and secondary access would be provided to the Project site via Woodmere Road at the southeast edge of the site as well as along the eastern edge of the site to the adjacent property. These entrance points would provide adequate access to emergency responders in case of a fire or other emergency.

During construction, the Project would install temporary signage alerting drivers of the potential for truck traffic entering and exiting the site. The Project does not propose traffic control to stop, reroute, or block traffic. There would be a **less-than-significant** impact for emergency providers, and no mitigation is required.

### 3.18 Tribal Cultural Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>XVIII. Tribal Cultural Resources.</b>				
Has a California Native American Tribe requested consultation in accordance with Public Resources Code Section 21080.3.1(b)?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Would the project cause a substantial adverse change in the significance of a Tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
a) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1(k)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### 3.18.1 Environmental Setting

The United Auburn Indian Community (UAIC), Shingle Springs Band of Miwok Indians (SSBMI), Lone Band of Miwok, and Wilton Rancheria are federally recognized Tribes comprised of both Miwok and Maidu (Nisenan) Indians and are traditionally and culturally affiliated with the proposed Project area. Although boundaries with neighboring Tribes were often fluid and overlapping, traditional Nisenan territory extended from the southern boundary beginning below the Consumnes River, north to Gold Lake then west along ridges and canyons to the south fork of the Feather River, then southwest to the Sacred Mountain, 'Estom Yanim (Marysville Buttes), and from the west bank of the Sacramento River east to Kyburz. Today, many descendants of Nisenan still reside on lands once inhabited by their ancestors or on lands set aside for Tribal communities by the federal government in California which may or may not have been traditionally inhabited by their ancestors. The Tribes possess the expertise concerning Tribal cultural resources in the area and are contemporary stewards of their culture and the landscapes. These Tribal communities represent a continuity and endurance of their ancestors by maintaining their

connection to their history and culture. It is the Tribe's goal to ensure the preservation and continuance of their cultural heritage for current and future generations.

Under PRC section 21080.3.1 and 21082.3, SMUD must consult with Tribes traditionally and culturally affiliated with the Project area that have requested formal notification and responded with a request for consultation (PRC 21080.3.1(b)). Consultation is deemed concluded when the parties agree to measures to mitigate or avoid a significant effect on a Tribal cultural resource when one is present (PRC 21080.3.2 (b)(1)) or when a party concludes that mutual agreement cannot be reached (PRC 21080.3.2(b)(2)). Mitigation measures agreed on during the consultation process must be included in the environmental document.

#### *Tribal Consultation*

On November 29, 2023, SMUD sent notification letters, as required by PRC 21080.3.1(d), to the four Native American Tribes that had previously requested such notifications: Wilton Rancheria, UAIC, SSBMI, and Lone Band of Miwok Indians. The notification included a brief description of the Project and its location.

On November 30, 2023, the Lone Band of Miwok Indians requested that consultation be deferred to other interested tribes, and that if no interested tribes request consultation to reach out again to the Tribe for their consideration of further consultation.

On November 30, 2023, the UAIC stated that no areas of concern were identified through their internal registry, but stated an increased sensitivity is possible due to the Project's proximity to the American River and Lake Natoma, and requested that their unanticipated discovery measures and Traditional Cultural Resources recommendations be utilized.

No additional responses were received.

#### **3.18.2 Discussion**

**Would the project cause a substantial adverse change in the significance of a Tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American Tribe, and that is:**

- a) **Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1(k)?**

**Less than Significant with Mitigation Incorporated.** The identification of Tribal cultural resources for this Project by UAIC and the Lone Band of Miwok Indians included a review of pertinent literature and historic maps, and a records search using Tribal historic records and information databases. These Tribal databases are composed of areas of oral history, ethnographic history, and places of cultural and religious significance, including Sacred Lands that are submitted to the NAHC.

The resources shown in this region also include previously recorded indigenous resources identified through the CHRIS NCIC as well as historic resources and survey data. The UAIC reviewed the proposed Project site within their database – UAIC requested the standard mitigation measure for inadvertent discoveries to be included for this Project.

Under the California Register of Historical Resources (CRHR) criterion for a historical resource, the Project would not affect unique ethnic cultural values or religious, sacred uses as the consultation from NAHC did not turn up any sacred lands files. However, in the event Tribal cultural resources are found within the proposed Project site during construction, the standard mitigation measure for inadvertent discoveries, Mitigation Measure 3.18-3, has been included to ensure this impact is ***less-than significant***.

- b) **A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe?**

**Less than Significant with Mitigation Incorporated.** Consultation with UAIC, Wilton Rancheria and SSBMI revealed no known Tribal cultural resources on the Project site as defined in PRC Section 21074; however, the area is potentially sensitive for unknown Tribal cultural resources. Therefore, it is possible that yet-undiscovered Tribal cultural resources could be encountered or damaged during ground-disturbing construction activities. This impact would be ***potentially significant***, and mitigation is required.

**Mitigation Measure 3.18-1: Worker Environmental Awareness and Cultural Respect Training and Procedures for Discovery of Potential Tribal Cultural Resources**

*All construction personnel must receive Tribal Cultural Resources Sensitivity and Awareness Training (Worker Environmental Awareness Program [WEAP]), including field consultants and construction workers. The WEAP shall be developed in coordination with interested Native American Tribes.*

*The WEAP shall be conducted before any project-related construction activities begin at the Project site. The WEAP will include relevant information regarding sensitive cultural resources and Tribal cultural resources, including applicable regulations, protocols for avoidance, and consequences of violating State laws and regulations. The WEAP will also describe appropriate avoidance and impact minimization measures for cultural resources and Tribal cultural resources that could be located at the Project site and will outline what to do and who to contact if any potential cultural resources or Tribal cultural resources are encountered. The WEAP will emphasize the requirement for confidentiality and culturally appropriate treatment of any discovery of significance to Native Americans and will discuss appropriate behaviors and responsive actions, consistent with Native American Tribal values. The training may be done in coordination with the Project archaeologist.*



*All ground-disturbing equipment operators shall be required to receive the training and sign a form that acknowledges receipt of the training.*

*During excavation or other substantial subsurface disturbance activities, all construction personnel must follow procedures and the direction of archeologists and Tribal monitors if any cultural resource materials are observed.*

**Mitigation Measure 3.18-2: Spot Check Monitoring for Tribal Cultural Resources**

*SMUD shall invite representatives of UAIC to periodically inspect the active areas of the Project, including any soil piles, trenches, or other disturbed areas. UAIC shall be notified at least 48 hours prior to start of construction.*

**Mitigation Measure 3.18-3: Unanticipated Discovery of Tribal Cultural Resources**

*If any suspected TCRs are discovered by any person on site during ground disturbing construction activities all work shall cease within 100 feet of the find, or an agreed upon distance based on the project area and nature of the find. A Tribal Representative from the consulting Tribe or a California Native American tribe that is traditionally and culturally affiliated with a geographic area shall be immediately notified and shall determine if the find is a TCR (PRC §21074). The Tribal Representative will make recommendations for further evaluation and treatment as necessary.*

*Preservation in place is the preferred option for mitigation of TCRs under CEQA and Tribal protocols, and every effort shall be made to preserve the resources in place, including through project redesign. If adverse impacts to TCRs, unique archeology, or other cultural resources occurs, then consultation with Tribes regarding mitigation contained in the Public Resources Code §21084.3(a) and (b) and CEQA Guidelines §15370 should occur, in order to coordinate for compensation for the impact by replacing or providing substitute resources or environments.*

*Culturally appropriate treatment may be, but is not limited to, processing materials for reburial, minimizing handling of cultural objects, leaving objects in place within the landscape, or returning objects to a location within the project area where they will not be subject to future impacts. Permanent curation of TCRs and cultural belongings will not take place unless approved in writing by the consulting Tribe.*

*Treatment that preserves or restores the cultural character and integrity of a TCR may include paid Tribal Monitoring, culturally appropriate recovery of cultural objects, and reburial of cultural objects or cultural soil. These recommendations will be documented in the project record. For any recommendations made by traditionally and culturally affiliated Native American Tribes that are not implemented, a justification for why the recommendation was not followed will be provided in the project record.*

*SMUD shall preserve TCR's in place, avoid, or minimize impacts to the resource, including, but not limited to, facilitating the appropriate Tribal treatment of the find, as necessary. Treatment that preserves or restores the cultural character and integrity of a TCR may include Tribal Monitoring,*

*culturally appropriate recovery of cultural objects, and reburial of cultural objects and belongings or cultural soil.*

*Work at the discovery location cannot resume until all necessary investigation and evaluation of the discovery under the requirements of CEQA, including AB52, have been satisfied.*

**Mitigation Measure 3.5-2: Procedures for Discovery of Human Remains** (Described in Section 3.5, Cultural Resources)

Significance after Mitigation

Implementation of Mitigation Measure 3.18-1, 3.18-2, 3.18-3, and 3.5-2 would reduce impacts to Tribal cultural resources to a ***less than significant*** level.

### 3.19 Utilities and Service Systems

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>XIX. Utilities and Service Systems.</b>				
Would the project:				
a) Require or result in the relocation or construction of construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunication facilities, the construction or relocation of which could cause significant environmental effects?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have insufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Result in a determination by the wastewater treatment provider that serves or may serve the project that it has inadequate capacity to serve the project’s projected demand, in addition to the provider’s existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Fail to comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### 3.19.1 Environmental Setting

All utilities necessary to support the Project, including electricity, natural gas, telecommunications, water, sanitary sewer, and stormwater drainage services would be provided to the Project site by way of new connections to existing infrastructure in the immediate Project area. Following is a discussion of each utility service including provider and current capacity to serve new development:

### *Electricity, Natural Gas, and Telecommunications*

Electric service is provided to the Project area by SMUD. Natural gas service is provided by Pacific Gas and Electric (PG&E). Telecommunications services would be provided by AT&T and Comcast/Xfinity. Existing infrastructure is available within public right-of-way adjacent to the Project site.

### *Water*

Water service would be provided to the Project by the City of Folsom Environmental and Water Resources Department via an existing water main located within Shore Court/Woodmere Road. The City's water supply is obtained solely from Folsom Lake and is treated prior to delivery at the City's water treatment plant located on Natoma Street.

### *Wastewater*

Sanitary sewer services would be provided to the Project site by the City of Folsom Wastewater Collection Division, which is responsible for the operation and maintenance of the sewer system, including 271 miles of pipeline and 11 sewer lift stations. The sewer lift stations pump raw wastewater that is collected throughout the City to the Sacramento County Regional Sanitation District Wastewater Treatment Plant (Sacramento Regional WWTP), which is located over 20 miles southwest of the Project site. The Sacramento Regional WWTP treats an average of 135 million gallons per day (mgd) serving a population of 1.6 million in the region (Regional San 2023).

### *Stormwater Drainage*

The City's stormwater drainage system is operated and maintained by its Public Works Streets Division and includes 190 miles of pipe, 23 miles of natural drainage channels and creeks, 30 flood control and/or water quality detention basins, and more than 200 outfalls to creeks and rivers.

### *Solid Waste*

Solid waste, recyclable materials, and compostable materials are collected and transported by the City's Public Works Department to the Sacramento County Landfill located on Kiefer Boulevard (Kiefer Landfill). The Kiefer Landfill has a permitted disposal area of 660 acres and is permitted to accept up to a maximum of 10,815 tons of waste per day. Recently expanded, the Kiefer Landfill has a total permitted capacity of 117,400,000 cubic yards. According to the California Department of Resources Recycling and Recovery (CalRecycle 2024), the facility has a remaining capacity of 112,900,000 cubic yards, or 96 percent.

**3.19.2 Discussion**

- a) **Require or result in the relocation or construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunication facilities, the construction or relocation of which could cause significant environmental effects?**

**Less than Significant with Mitigation Incorporated.** The Project site is within a developed business park. All utilities exist within the adjacent public right-of-way at sufficient capacities to serve the proposed facility. The Project would not require the construction of new or the relocation of existing offsite facilities and would not exceed the capacities of any utility systems requiring their expansion, with the exception of the required relocation of the existing drainage infrastructure within the Project site. The relocation of drainage facilities would place all accesses within existing public right of way, as required by the City of Folsom’s Environmental & Water Resources Department. The potential environmental effects of onsite construction, including the installation of water and sewer lines and construction of the proposed drainage easement and associated facilities are identified throughout this document and, where necessary, mitigation measures are provided to reduce them to less than significant levels. These include Mitigation Measure 3.3-1, which requires adherence to all applicable SMAQMD construction emissions control practices; Mitigation Measure 3.4-1, which requires various measures to avoid impacts to special-status species and habitats; Mitigation Measures 3.5-1 and 3.5-2, which provide procedures to avoid impacts to cultural resources and human remains; and, Mitigation Measures 3.18-1 through 3.18-3, which provide procedures to avoid impacts to tribal cultural resources. The full text of these measures is provided in the applicable technical sections of this initial study for each.

**Mitigation Measure 3.3-1. Implement SMAQMD Emissions Controls and BMPs.**

**Mitigation Measure 3.4-1. Impacts to Special-Status Species, Sensitive Habitats, and Aquatic Resources.**

**Mitigation Measure 3.5-1. Worker Environmental Awareness and Cultural Respect Training and Procedures for Inadvertent Discovery of Cultural Resources.**

**Mitigation Measure 3.5-2. Procedures for Discovery of Human Remains.**

**Mitigation Measure 3.18-1. Worker Environmental Awareness and Cultural Respect Training and Procedures for Discovery of Potential Tribal Cultural Resources.**

**Mitigation Measure 3.18-2. Spot Check Monitoring for Tribal Cultural Resources.**

**Mitigation Measure 3.18-3. Unanticipated Discovery of Tribal Cultural Resources.**

**Significance After Mitigation**

The mitigation measures listed above would reduce this impact to a less than significant level by requiring implementation of various measures during construction activities to avoid or minimize adverse effects to air quality, biological resources, cultural resources, and tribal cultural resources. With implementation of these measures, this impact would be less than significant.

- b) Have insufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry, and multiple dry years?**

**Less than Significant.** The Project proposes an office use with limited staffing and would have a correspondingly low water demand compared to offices of similar size. Given that the Project would be consistent with the City's General Plan zoning and land use designation, water demand associated with buildout of the Project site with an office use has been anticipated by the City and accounted for in regional planning efforts, including development of the City's 2020 Urban Water Management Plan (UWMP). According to the 2020 UWMP, which projects limited population growth for Folsom West until stagnating after 2030, water supplies are projected to meet expected demand for normal year, single-dry year, and multiple-dry year scenarios through 2045 (City of Folsom 2021). Therefore, sufficient water supplies would be available to serve the Project and this impact would be less than significant.

- c) Result in a determination by the wastewater treatment provider that serves or may serve the project that it has inadequate capacity to serve the project's projected demand, in addition to the provider's existing commitments?**

**Less than Significant.** The Project would be served by the City's public wastewater collection and treatment system and would connect with an existing sewer line in the adjacent public right-of-way along Shore Court/Woodmere Road. As an office use, the Project would generate a low level of wastewater and would not exceed the existing capacity of either the City's conveyance system or Regional San's WWTP. Furthermore, given that the Project would be consistent with the City's General Plan land use designation, wastewater generated by a business use operating on the Project site has been anticipated by the City and County and was accounted for in regional planning efforts. Therefore, adequate wastewater system capacity is available to serve the Project and this impact would be less than significant.

- d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?**
- e) Fail to comply with federal, state, and local management and reduction statutes and regulations related to solid waste?**

**Less than Significant.** The Project would cause a temporary increase in the generation of solid waste during construction; however, project construction waste is not expected to be substantial as no demolition would be required. The Project would be subject to the City's Construction and Demolition Debris Ordinance (Municipal Code Chapter 8.30), which requires submittal of a waste management plan identifying the selected waste hauler and describing how the Project would meet the diversion requirements. Once constructed, the Project would not be expected to generate significant solid waste. Furthermore, the site has been designated for development for many years and would have been accounted for in long range plans for solid waste service and disposal.

### 3.20 Wildfire

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>XX. Wildfire.</b>				
Is the project located in or near state responsibility areas or lands classified as high fire hazard severity zones?				
If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:				
	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No	
a) Substantially impair an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Require the installation of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### 3.20.1 Environmental Setting

The Project site is not located in a fire hazard severity zone (CAL FIRE 2024). The Project site is within a Local Responsibility Area (CAL FIRE 2024). Local Responsibility Areas are incorporated cities and urban regions, agriculture lands, and portions of the desert where the local government is responsible for wildfire protection (CAL FIRE 2022). The Project site is primarily surrounded by existing industrial land uses with the American River Parkway and Lake Natoma to the west. The Folsom Fire Department provides fire protection and emergency rescue services in the Project area. Folsom Fire Department Station No. 35 is located at 535 Glenn Drive, approximately 1.5 miles northeast of the Project site. Additionally, Folsom Fire Department Station No. 37 is located approximately 3 miles east of the Project area (City of Folsom 2024).

**3.20.2 Discussion**

- a) **Substantially impair an adopted emergency response plan or emergency evacuation plan?**
- b) **Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?**
- c) **Require the installation of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?**
- d) **Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?**

**No Impact.** The Project would not exacerbate wildfire risks because the Project site is not located within a fire hazard severity zone and would not expose people or structures to wildfire risks. Construction equipment would be stored away from vegetation that could provide fire fuel if ignited. In addition, vegetation would be removed or trimmed on the Project site, as needed, to ensure that construction activities do not increase risks associated with wildfires. Thus, the Project would not affect the potential for wildfires to ignite or spread within areas surrounding the Project site. There would be no impact, and no mitigation is required.



### 3.21 Mandatory Findings of Significance

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>XXI. Mandatory Findings of Significance.</b>				
a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of an endangered, rare, or threatened species, or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### 3.21.1 Discussion

a) **Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of an endangered, rare, or threatened species, or eliminate important examples of the major periods of California history or prehistory?**

**Less than Significant with Mitigation Incorporated.** As discussed in Section 3.4, “Biological Resources,” of this IS/MND, the Project has potential to adversely affect special status species, including the monarch butterfly, valley elderberry longhorn beetle, northwestern pond turtle, Swainson’s hawk and Other Nesting Birds. Potentially significant impacts would be reduced to a less than significant level with implementation of Mitigation Measure 3.4-1.

As discussed in Section 3.5, “Cultural Resources,” proposed ground-disturbing activity for Project construction could result in the disturbance of undiscovered archaeological materials or remains. Mitigation Measures 3.5-1 and 3.5-2 would reduce potential impacts to archaeological resources and/or human remains discovered during Project construction activities to a **less than significant** level by requiring construction worker training, and, in the case of a discovery, preservation options (including data recovery, mapping, capping, or avoidance) and proper curation if significant artifacts are recovered. Similarly, in Section 3.18, “Tribal Cultural Resources,” proposed ground-disturbing activity for Project construction could result in the disturbance of undiscovered Tribal cultural resources. Mitigation Measures 3.18-1 would reduce potential impacts to Tribal cultural resources discovered during Project construction activities to a **less than significant** level by requiring construction worker training, and, in the case of a discovery, preservation options or other options, including reburial or culturally appropriate recovery, mapping, capping, or avoidance).

- b) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)**

**Less than Significant.** The Project is not growth inducing and impacts would primarily be related to construction activities. Project impacts would be individually limited due to the temporary and site-specific nature of the potential impacts. Potential short-term, cumulative impacts would only occur if construction of the Project occurred simultaneously with other projects in the area, which is not anticipated. Therefore, Project impacts would not combine with the impacts of other cumulative projects to result in a cumulatively considerable impact on the environment as a result of project implementation. Therefore, this impact would be **less than significant**.

- c) Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?**

**Less than Significant with Mitigation Incorporated.** The Project would have potentially significant impacts related to air quality, biological resources, cultural resources, Tribal cultural resources, and Utilities and Service Systems. However, all of these impacts would be reduced to less than significant levels with incorporation of the mitigation measures included in the respective section discussions above. These measures include Mitigation Measure 3.3-1, which would reduce air quality emissions, Mitigation Measures 3.5-1 and 3.5-2, which, as described previously, would reduce potential impacts to archaeological and/or human remains, as well as Mitigation Measures 3.18-1, 3.18-2, and 3.18-3, which would implement procedures for the discovery of tribal cultural resources. No other direct or indirect impacts on human beings were identified in this IS/MND. Therefore, this impact would be **less than significant**.

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## 4.0 ENVIRONMENTAL JUSTICE EVALUATION

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### 4.1 Introduction

At present, there are no direct references to the evaluation of environmental justice (EJ) as an environmental topic in the Appendix G Environmental Checklist, CEQA statute, or State CEQA Guidelines; however, requirements to evaluate inconsistencies with general, regional, or specific plans (State CEQA Guidelines Section 15125[d]) and determine whether there is a “conflict” with a “policy” “adopted for the purpose of avoiding or mitigating an environmental effect” (Environmental Checklist Section XI[b]) can implicate EJ policies. As additional cities and counties comply with Senate Bill (SB) 1000 (2016), which requires local jurisdictions to adopt EJ policies when two or more general plan elements are amended, environmental protection policies connected to EJ will become more common.

“Environmental Justice” is defined in California law as the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies (California Government Code Section 30107.3[a]). “Fair treatment” can be defined as a condition under which “no group of people, including racial, ethnic, or socioeconomic group, shall bear a disproportionate share of negative environmental consequences resulting from industrial, municipal, and commercial operations or the execution of federal, state, local, and tribal programs and policies” (USEPA 2011).

SMUD created the Sustainable Communities Initiative, which encompasses the framework of EJ, to help bring environmental equity and economic vitality to all communities in SMUD’s service area with special attention to historically underserved neighborhoods. The initiative focuses on the development of holistically sustainable neighborhoods through partnerships and collaboration. The goal of this effort is to ensure the advancement of prosperity in the Sacramento region regardless of zip code or socioeconomic status by focusing on equitable access to mobility, a prosperous economy, a healthy environment, and social well-being. To support the initiative, SMUD teams are working internally and with community partners to improve equitable access to healthy neighborhood environments, energy efficiency programs and services, environmentally friendly transit modes (including electric vehicles), and energy-related workforce development and economic development prospects. To the extent these goals seek to avoid environmental impacts affecting vulnerable communities, the State CEQA Guidelines already require consideration of whether a proposed project may conflict with goals that support sustainable communities. The following analysis has been provided by SMUD, as a proactive evaluation in excess of CEQA requirements, to identify any localized existing conditions to which the Project, as proposed, may worsen adverse conditions and negatively impact the local community, and identify the need for implementation of additional site or local considerations, where necessary. Environmental justice issues are being considered in this CEQA document to help inform decision makers about whether the Project supports SMUD's goal of helping to advance environmental justice and economic

vitality to all communities in SMUD’s service area with special attention to historically underserved neighborhoods.

## **4.2 Regulatory Context**

California legislation, state agency programs, and guidance have been issued in recent years that aim to more comprehensively address EJ issues, including SB 1000 (2016), SB 535 (2012) and AB 1550 (2016), AB 617 (2017), the California Department of Justice Bureau of Environmental Justice, the California Communities Environmental Health Screening Tool (CalEnviroScreen), and the Governor’s Office of Planning and Research’s (OPR’s) 2020 General Plan Guidelines, Environmental Justice Element. In particular, SB 1000 has provided an impetus to more broadly address EJ; coupled with the existing requirements of CEQA, it is now time to elevate the coverage of significant environmental impacts in the context of EJ in environmental documents. These other bills have also provided the necessary policy direction to address EJ under CEQA.

### **4.2.1 Senate Bill 1000**

SB 1000, which was enacted in 2016, amended California Government Code Section 65302 to require that general plans include an EJ element or EJ-related goals, policies, and objectives in other elements of general plans with respect to disadvantaged communities (DACs) beginning in 2018. The EJ policies are required when a city or county adopts or revises two or more general plan elements and the city or county contains a DAC. EJ-related policies must aim to reduce the disproportionate health risks in DACs, promote civic engagement in the public decision-making process, and prioritize improvements that address the needs of DACs (CCR Section 65302[h]). Policies should focus on improving the health and overall well-being of vulnerable and at-risk communities through reductions in pollution exposure, increased access to healthy foods and homes, improved air quality, and increased physical activity.

### **4.2.2 Senate Bill 535 and Assembly Bill 1550**

Authorized by the California Global Warming Solutions Act of 2006 (AB 32), the cap-and-trade program is one of several strategies that California uses to reduce GHGs that cause climate change. The state’s portion of the cap-and-trade auction proceeds are deposited in the Greenhouse Gas Reduction Fund (GGRF) and used to further the objectives of AB 32. In 2012, the California Legislature passed SB 535 (de Leon), directing that 25 percent of the proceeds from the GGRF go to projects that provide a benefit to DACs. In 2016, the legislature passed AB 1550 (Gomez), which now requires that 25 percent of proceeds from the GGRF be spent on projects located in DACs. The law requires the investment plan to allocate (1) a minimum of 25 percent of the available moneys in the fund to projects located within and benefiting individuals living in DACs; (2) an additional minimum of 5 percent to projects that benefit low-income households or to projects located within, and benefiting individuals living in, low-income communities located anywhere in the state; and (3) an additional minimum of 5 percent either to projects that benefit low-income households that are outside of, but within 0.5 mile of, DACs, or to projects located within the boundaries of, and benefiting individuals living in, low-income communities that are outside of, but within 0.5 mile of, DACs.

### **4.2.3 Assembly Bill 617**

AB 617 of 2017 aims to help protect air quality and public health in communities around industries subject to the state's cap-and-trade program for GHG emissions. AB 617 imposes a new state-mandated local program to address nonvehicular sources (e.g., refineries, manufacturing facilities) of criteria air pollutants and toxic air contaminants. The bill requires ARB to identify high-pollution areas and directs air districts to focus air quality improvement efforts through the adoption of community emission reduction programs in these identified areas. Currently, air districts review individual stationary sources and impose emissions limits on emitters based on best available control technology, pollutant type, and proximity to nearby existing land uses. This bill addresses the cumulative and additive nature of air pollutant health effects by requiring communitywide air quality assessment and emission reduction planning, called a community risk reduction plan in some jurisdictions. ARB has developed a statewide blueprint that outlines the process for identifying affected communities, statewide strategies to reduce emissions of criteria air pollutants and toxic air contaminants, and criteria for developing community emissions reduction programs and community air monitoring plans.

### **4.2.4 California Department of Justice's Bureau of Environmental Justice**

In February 2018, California Attorney General Xavier Becerra announced the establishment of a Bureau of Environmental Justice within the Environmental Section at the California Department of Justice. The purpose of the bureau is to enforce environmental laws, including CEQA, to protect communities disproportionately burdened by pollution and contamination. The bureau accomplishes this through oversight and investigation and by using the law enforcement powers of the Attorney General's Office to identify and pursue matters affecting vulnerable communities.

In 2012, then Attorney General Kamala Harris published a fact sheet, titled "Environmental Justice at the Local and Regional Level," highlighting existing provisions in the California Government Code and CEQA principles that provide for the consideration of EJ in local planning efforts and CEQA. Attorney General Becerra cites the fact sheet on his web page, indicating its continued relevance.

### **4.2.5 California Communities Environmental Health Screening Tool**

CalEnviroScreen Version 4.0 is a mapping tool developed by the Office of Environmental Health Hazards Assessment (OEHHA) to help identify low-income census tracts in California that are disproportionately burdened by and vulnerable to multiple sources of pollution. It uses environmental, health, and socioeconomic information based on data sets available from state and federal government sources to produce scores for every census tract in the state. Scores are generated using 20 statewide indicators that fall into four categories: exposures, environmental effects, sensitive populations, and socioeconomic factors. The exposures and environmental effects categories characterize the pollution burden that a community faces, whereas the sensitive populations and socioeconomic factors categories define population characteristics.

CalEnviroScreen prioritizes census tracts, based on their combined pollution burden and population characteristics score, from low to high. A percentile for the overall score is then calculated from the ordered values. The California Environmental Protection Agency has designated the top 25 percent of highest scoring tracts in CalEnviroScreen (i.e., those that fall in or above the 75th percentile) as DACs, which are targeted for investment proceeds under SB 535, the state's cap-and-trade program.

#### **4.2.6 Governor's Office of Planning and Research's 2020 Updated EJ Element Guidelines**

OPR published updated General Plan Guidelines in June 2020 that include revised EJ guidance in response to SB 1000. OPR has also published example policy language in an appendix document along with several case studies to highlight EJ-related policies and initiatives that can be considered by other jurisdictions. Section 4.8 of the General Plan Guidelines contains the EJ guidance. The guidelines offer recommendations for identifying vulnerable communities and reducing pollution exposure related to health conditions, air quality, project siting, water quality, and land use compatibility related to industrial and large-scale agricultural operations, childcare facilities, and schools, among other things. It provides many useful resources, including links to research, tools, reports, and sample general plans.

### **4.3 Sensitivity of Project Location**

#### **4.3.1 Community Description**

As part of its Sustainable Communities Initiative, SMUD created and maintains the Sustainable Communities Resource Priorities Map 2.0,<sup>4</sup> which reflects several data sets related to community attributes that SMUD uses to identify historically underserved communities. One of the key components of the map is the California Communities Environmental Health Screening Tool (CalEnviroScreen Version 4.0), which identifies communities facing socioeconomic disadvantages or health disadvantages such as multiple sources of pollution. The Sustainable Communities Resource Priorities map provides an analysis of current data sets to indicate areas ranging from low to high sensitivity and can be used to describe the relevant socioeconomic characteristics and current environmental burdens of the Project area. This map analyzes current data to indicate the local areas most likely to be underserved or in distress from environmental burdens, lack of community development, income, housing, employment opportunities, transportation, and more. SMUD has determined that it would evaluate EJ effects for projects located in, adjacent to, or proximate to (e.g., within 500 feet of) a high-sensitivity area as shown on the Sustainable Communities Resource Priorities Map or located in a census tract with a CalEnviroScreen score of 71 percent or greater. The map was launched in 2020 and updated in December 2022.

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<sup>4</sup> The Sustainable Communities Resource Priorities Map is Available:  
<https://smud.maps.arcgis.com/apps/MapJournal/index.html?appid=1a42c034497c47b0b3c3c84f10c7d541>.

The Project site is located in a medium-low (on a scale of low, medium-low, medium, medium-high, and high) sensitivity area per the Sustainable Communities Resource Priorities Map (SMUD 2022). The nearest high-sensitivity area is located more than 15 miles east of the Project site in Folsom.

The Project site is located within the census tract of 6067008504, which was in the 18<sup>th</sup> percentile for the overall CalEnviroScreen score, indicating that the area is not substantially burdened by vulnerabilities due to environmental pollutants. The results for each indicator range from 0-100 and represent the percentile ranking of census tract 6067008504 relative to other census tracts.

The CalEnviroScreen score is driven by environmental conditions such as multiple potential exposures to pollutants and adverse environmental conditions caused by pollution, and high health and socioeconomic vulnerability to pollution. The pollution burden of the Project census tract is in the 33<sup>rd</sup> percentile, with the most significant indicators being traffic and Diesel Particulate Matter. These exposures and consequent environmental conditions caused by pollution are expected in this area due to the current land uses and proximity to major arterial roads and highways. The population characteristics of the Project census tract that contribute to the community's pollution burden and vulnerability fell within the 14<sup>th</sup> percentile, with the most significant indicator being cardiovascular disease.

Additional indicators were utilized by the Sustainable Communities Resource Priorities Map in identifying and targeting communities with a greater sensitivity to social, economic, and environmental vulnerabilities. These other sources, which are used as tools for targeting economic development, indicated that the Project site is not located in an Opportunity Zone, a Sacramento Promise Zone, or designated as a Disadvantaged Community by state Senate Bill 535. Additionally, the Project site is not designated as an area with consistent high rates of poor health outcomes on the Health Equity index by Be Healthy Sacramento and the Healthy Sacramento Coalition, or designated by the Health Resources & Services Administration (HRSA) as a Medically Underserved Area or as having a Medically Underserved Population.

The Centers for Disease Control and Prevention/Agency for Toxic Substances and Disease Registry (CDC/ATSDR) Social Vulnerability Index (SVI) identifies areas with a population that is highly vulnerable and susceptible to harm from exposure to a hazard, and its ability to prepare for, respond to, and recover from hazards. The Project site is located in a low sensitivity area for social vulnerability according to the CDC/ATSDR SVI. This means that the area surrounding the Project site does not experience high levels of social vulnerability.

#### **4.3.2 Environmental Conditions**

This discussion references the analysis conducted in the Environmental Checklist of the IS/MND and provides additional detail with respect to the current environmental conditions in the Project area. The focus of this discussion is on environmental justice issues relevant to the Project.

- **Aesthetics:** The visual characteristics of the Project site and adjacent uses are an existing or planned employment center land uses. The area immediately surrounding the Project site is relatively flat and developed for office industrial uses or open space to the west. The Project area does include a scenic vistas around the Folsom Lake SRA but does not contain designated scenic highway.
- **Air Quality:** The Project site is located in Sacramento County, which is currently designated as nonattainment for both the federal and state ozone standards, the federal PM<sub>2.5</sub> standard, and the state PM<sub>10</sub> standard. The region is designated as in attainment or being unclassifiable for all other NAAQS and CAAQS (ARB 2023). Air quality in Sacramento County is influenced by a variety of factors, including topography, local and regional meteorology.
- **Cultural Resources:** The Project site is within a district that contains historic resources with some resources occurring near and within the Project site.
- **Energy:** The Project area is served by SMUD, which offers the Greenergy program with electricity generated by 100 percent renewable and carbon free resources.
- **Greenhouse Gas Emissions and Climate Change Vulnerabilities:** GHG emissions in the region are associated primarily with transportation (passenger vehicles and heavy-duty vehicles are top contributors), followed by industrial/manufacturing activities, electricity generation and consumption, residential and commercial on-site fuel use, and agriculture (including livestock) (ARB 2022). As the climate changes, the Project area would likely be subject to increased heat stress and increased risk of flooding.
- **Hazards and Hazardous Materials:** There are no recognized environmental conditions or known hazards in the Project vicinity.
- **Noise:** Noise sources in the Project area include vehicle and highway traffic, as well as noise associated with nearby industrial operations. Sensitive receptors (i.e., residences) are located adjacent to the east of the Project site, across Folsom Boulevard to the east of the Project site.
- **Public Services:** Public services such as police and fire protection are available in the area.
- **Recreation:** The Project site is within the City of Folsom within an area of abundant recreational facilities. The nearest developed park is the Natoma Station Neighborhood Park and Ernie Sheldon Youth Sports Park about one half mile east of the Project site on Natoma Station Drive. The lake and adjacent Jedidiah Smith Memorial Trail are part of the American River Parkway and the Folsom Lake State Recreation Area.
- **Transportation:** The Project area includes paved roads, pedestrian sidewalks, bicycle facilities, directly accessible public transit access points (e.g., light rail, bus, and train).



- **Tribal Cultural Resources:** There are no known Tribal cultural resources on or immediately adjacent to the Project site.
- **Utilities:** The Project area is serviced by SMUD for electricity and water is provided by the City of Folsom Environmental and Water Resources Department. Sewer service is provided by the City of Folsom Wastewater Collection Division which conveys wastewater to the Sacramento County Regional Sanitation District Wastewater Treatment Plant.

#### 4.4 Evaluation of the Project's Contribution to a Community's Sensitivity

The Project consists of constructing and operating a new administrative operations facility that would replace the existing administrative operations facility at the SMUD Headquarters Campus. Following construction of all Project features and transmission of administrative operations to the new project, the new administrative operations facility would operate in a manner substantially similar to existing conditions. The Project's contributions to the community's sensitivity are as follows:

- **Aesthetics:** Direct public views of the Project would be available from Woodmere Road, and areas to the east, and Lake Natoma and the Folsom Lake SRA. There would be temporary and minor modification of views in the Project area during construction activities due to the presence of construction equipment and the Project would add to views of existing developed areas adjacent to the Folsom Lake SRA. Impacts to public viewers is considered less than significant.
- **Air Quality:** Excavation and general construction activities would be required during project construction. This would result in emissions of DPM and fugitive dust at the Project site, as discussed in Section 3.3., Air Quality. Considering the highly dispersive properties of diesel PM, the relatively low mass of diesel PM emissions that would be generated at any single place during Project construction, and the relatively short period during which diesel-PM-emitting construction activities would take place, construction-related TACs would not expose sensitive receptors to an incremental increase in cancer risk that exceeds 10 in one million. Soil stabilization and dust suppression activities would be used as part of the SWPPP and would satisfy the requirements of Fugitive Dust Rule 403, set forth by SMAQMD, which would minimize emissions of PM<sub>10</sub> and PM<sub>2.5</sub>. These measures would be consistent with the best management practices and best available control technology practices required by SMAQMD.
- **Cultural Resources:** The Project would have a less than significant affect on known cultural resources. Mitigation measures identified in Section 3.5 would be implemented to reduce, to the extent feasible, significant impacts to any inadvertent discoveries.
- **Energy:** The Project would not affect access to electricity because electrical service would be maintained throughout construction. Temporary use of grid-sourced energy and other fuel

consumption would be associated with construction and decommissioning work. Operation and maintenance of the administrative operations facility would require on-site electricity and periodic utilization of fuels.

- **Greenhouse Gas Emissions and Climate Change Vulnerabilities:** Project operation would not generate substantial GHG emissions. The Project would generate less-than-significant volumes of GHGs during construction from the use of heavy-duty off-road construction equipment and vehicle use for worker commutes. The Project would not worsen the area's flooding vulnerabilities because it would not affect the area's topography or levee system.
- **Hazards and Hazardous Materials:** The use and handling of hazardous materials during construction would be conducted in a manner consistent with existing regulations, including CCR Title 27.
- **Noise:** Noise would be generated during construction, but it would be temporary. No substantial increases in ambient noise levels at sensitive receptors in the area would occur.
- **Public Services:** As the majority of construction activities would occur on private property, the Project would not interrupt or otherwise affect the provision of public services to the area. The Project would not increase the demand for fire or police protection services.
- **Recreation:** The Project would not affect any parks or recreational opportunities.
- **Transportation:** The Project would not affect existing roadways, public transit access points, or bike lanes.
- **Tribal Cultural Resources:** The Project would not affect known Tribal cultural resources. Mitigation measures identified in Sections 3.18 would be implemented to reduce, to the extent feasible, significant impacts to any inadvertent discoveries.
- **Utilities:** The Project would not adversely affect provision of utilities to existing and future uses in the Project area. The Project is intended to ensure continued and reliable electrical service within the SMUD service area, and no interruption or reduction in service capacity would occur as a result of the Project.

As described for each environmental resource area, the Project would not contribute to the community's current sensitivity.

#### 4.5 Summary of Environmental Justice Assessment

Per SMUD's Sustainable Communities Resource Priorities Map which reflects several data sets related to community attributes that SMUD uses to identify historically underserved communities, the Project site is located in a medium-low sensitivity area (SMUD 2022). The

Project does not have the potential to affect the community and/or worsen existing adverse environmental conditions. Therefore, ***no existing environmental justice conditions would be worsened*** as a result of the Project.

Although the Project would not worsen existing environmental justice conditions, as a leader in building healthy communities, one of SMUD's Sustainable Communities goals is to help bring environmental equity and economic vitality to all communities. By investing in underserved neighborhoods and working with community partners, SMUD is part of a larger regional mission to deliver energy, health, housing, transportation, education and economic development solutions to support sustainable communities. The following Sustainable Communities programs sponsored by SMUD serve the Project area.

- SMUD partners with the Sacramento Tree Foundation to provide free shade trees to beautify neighborhoods and improve air quality throughout Sacramento County.
- SMUD offers Energy HELP to assist qualified customers who cannot pay their bill due to financial hardship and who are at risk of having their power turned off. 100 percent of contributions go directly to pay a recipient's electric bill through partnerships with community charities.
- SMUD offers the Energy Careers Pathways program which brings education, workforce development and renewable energy to underserved communities in Sacramento County.

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**5.0 LIST OF PREPARERS**

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**SACRAMENTO MUNICIPAL UTILITY DISTRICT**

Jerry Park..... Environmental Management Specialist

**ENVIRONMENTAL SCIENCE ASSOCIATES (ESA)**

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**BARGAS ENVIRONMENTAL CONSULTING**

Lily Arias ..... Principal Investigator/ Cultural Resources Specialist

Austin Dietrich..... Archaeologist

Steven Johnson ..... Biologist

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No sources are cited in this section.

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**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, this Board has adopted policies stating this Board is committed to meeting customers' electrical energy needs (SD-4); demonstrating energy reliability and environmental leadership (SD-7); and ensuring high levels of customer satisfaction (SD-5); and

**WHEREAS**, SMUD's primary purpose is to supply electrical energy to customers in the Sacramento area; and

**WHEREAS**, SMUD proposes the **Folsom Administrative Operations Building Project (Project)** to construct and operate an approximately 100,000-square-foot administrative office building and a 100-foot-high communications tower on a vacant six-acre parcel located at 102 Woodmere Road in the City of Folsom in Sacramento County; and

**WHEREAS**, the **Project** site improvements would include parking, lighting, landscaping, security features, driveway access, utilities, and street frontage improvements; and

**WHEREAS**, the **Project** involves two phases, *Phase 1* and *Phase 2*; and

**WHEREAS**, *Phase 1* of the **Project** would include the construction of approximately 50,000 square feet of the office building and communications tower; and

**WHEREAS**, *Phase 2* of the **Project** would construct the remaining 50,000 square feet of office building that would connect to the *Phase 1* building; and

**WHEREAS**, the **Project** would provide offices for SMUD employees and operational facilities with approximately 10 workers for *Phase 1* and 30 workers for *Phase 2*, split across two shifts; and

**WHEREAS**, SMUD prepared an **Initial Study/Mitigated Negative Declaration (IS/MND)**, and **Mitigation Monitoring and Reporting Program** for the **Project** that incorporated environmental avoidance, mitigation and improvement measures; and

**WHEREAS**, the draft **Initial Study, Mitigated Negative Declaration**, and **Mitigation Monitoring and Reporting Program** were distributed to members of the Board, interested persons and organizations, public agencies, and landowners and occupants of adjacent parcels; notice was published in the *Sacramento Bee*, inviting public comment; the comment period was open from July 23, 2024, through August 22, 2024; an in-person public meeting was held on August 8, 2024, which was attended by no members of the public; and two public comments were received; and

**WHEREAS**, the one public comment received from a public agency did not comment on the **IS/MND** but rather provided general reference and guidance to the agency's development regulations, one public comment received from a public agency stated that it had no comment and thus did not warrant any revisions to the **Initial Study, Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program**; and

**WHEREAS**, after the public comment period concluded, a commentary email was received from a Folsom resident regarding the resident's belief that the sanitary sewer conveyance pipeline serving the **Project's** service area is at capacity and inadequate to serve the proposed **Project**; and

**WHEREAS**, City of Folsom staff reviewed the **Project** and indicated no concern in providing future sewer service and thus did not warrant any revisions to the

Draft IS/MND nor change its conclusion that the **Project**, as mitigated, will not cause a significant impact; and

**WHEREAS**, the **Initial Study, Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program** are located in the records of SMUD under the custody of the Environmental Services Department; **NOW THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** This Board has reviewed and considered information in the **Initial Study, Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program**, together with comments received during the public review period; finds that the **Initial Study, Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program** as set forth in **Attachment \_\_** hereto have been completed in compliance with the **California Environmental Quality Act (CEQA)**, the State Guidelines for implementation of **CEQA**, and Board Resolution No. 13-11-03 (Procedures for Implementation of **CEQA**); and finds that the **Initial Study, Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program** reflect the independent judgment and analysis of this Board.

**Section 2.** This Board finds, on the basis of the **Initial Study, Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program**, and comments received during the public review period, that there is no substantial evidence that the **Folsom Administrative Operations Building Project (Project)** may have a significant effect on the environment.

**Section 3.** Based on the **Initial Study, Mitigated Negative Declaration, Mitigation Monitoring and Reporting Program**, and the findings made

by this Board, this Board adopts the **Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program** and approves the **Project**. The Environmental Services Department is directed to file with the County Clerk of Sacramento County, a Notice of Determination, which shall set forth the information required by **CEQA**.





SSS No. IAS 2024-6

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date N/A
Board Meeting Date October 17, 2024

TO				TO							
1.	Jose Bodipo-Memba			6.							
2.	Lora Anguay			7.							
3.	Scott Martin			8.							
4.				9.	<b>Legal</b>						
5.				10.	<b>CEO &amp; General Manager</b>						
<b>Consent Calendar</b>		<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<input type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Claire Rogers				DEPARTMENT Internal Audit Services				MAIL STOP B409	EXT. 7122	DATE SENT 10/2/24	

**NARRATIVE:**

**Requested Action:** Informational agenda item to provide Board Members with the opportunity to ask questions and/or discuss recent reports issued by Internal Audit Services.

**Summary:** Reports issued by Internal Audit Services:

<u>Title</u>	<u>Report Number</u>
• Status of Recommendations Report for Q3 2024 .....	n/a

**Board Policy:** Board-Staff Linkage BL-3, Board-Internal Auditor Relationship  
*(Number & Title)*

**Benefits:** N/A

**Cost/Budgeted:** N/A

**Alternatives:** N/A

**Affected Parties:** SMUD Board and Internal Auditor

**Coordination:** Internal Audit Services

**Presenter:** Claire Rogers, Director, Audit Services

**Additional Links:**

SUBJECT Internal Audit Services Report	ITEM NO. (FOR LEGAL USE ONLY) <b>16</b>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** October 2, 2024

**FROM:** Claire Rogers

**SUBJECT: QUARTERLY REPORT ON THE STATUS OF RECOMMENDATIONS AS OF  
SEPTEMBER 30, 2024**

We are pleased to inform you that all outstanding recommendations have been implemented, and there is no Status of Recommendations report for the Third Quarter of 2024. There are currently no outstanding items.

If you need further information or wish to discuss any aspect of the report, please contact me at 732-7122, or [Claire.Rogers@smud.org](mailto:Claire.Rogers@smud.org).